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ABSTRACT

At this hearing on abolishing poverty among older Americans, 11 witnesses testified regarding the needs of elderly and disabled Americans. Of particular concern was the efficacy of Social Security and Supplemental Security Income as programs to reduce poverty and the special concerns of elderly blacks. Most witnesses spoke about the negative effects of policies and budget levels created during the Reagan administration. Other issues of concern were the following: (1) fairer tax laws for the elderly and disabled; (2) liberalizing public assistance eligibility requirements; (3) improving health benefits and health care services; (4) special needs of elderly people who live alone; (5) how welfare reform may affect the elderly; (6) special needs of non-English speaking elderly; (7) programs and agencies which have been successful advocates for elderly concerns; (8) the cost and availability of housing; and (9) special concerns of elderly females. (VM)

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ABOLISHING POVERTY AMONG OLDER AMERICANS

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HEARING

BEFORE THE

SELECT COMMITTEE ON AGING
HOUSE OF REPRESENTATIVES

ONE HUNDREDTH CONGRESS

FIRST SESSION

JULY 18, 1987, BOSTON, MA

Comm. Pub. No. 100-637

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ABOLISHING POVERTY AMONG OLDER AMERICANS

SATURDAY, JULY 18, 1987

HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE ON AGING,
Boston, MA.

The committee met, pursuant to notice, at 10 a.m., in the Terrace Room, Park Plaza Hotel, Boston, MA, Hon. Joseph P. Kennedy II (acting chairman of the committee) presiding.

Members present: Representatives Kennedy and Frank.

Staff present: Todd Tatum, legislative assistant and Angelo Musto, district representative, of Representative Kennedy's staff; Diana Jones, staff assistant, of the Select Committee on Aging.

OPENING STATEMENT OF REPRESENTATIVE JOSEPH P. KENNEDY II

Mr. KENNEDY. The hearing will come to order, please. It is a tremendous honor and a privilege to be here with all of you this morning. I want to commend each and every one of you for showing such fine interest and support of our Nation's senior citizens and their plight in facing up to the terrible horror of poverty that exists in our country today.

The House Committee on Aging appreciates the invitation to hold this hearing at the National Caucus and Center on Black Aged annual conference. I think it is appropriate that you are holding your conference here in Boston because Massachusetts, in my opinion, has some of the best organized and most articulate senior citizens in our Nation.

In a few minutes we will hear from some of our leaders. I look forward to their testimony and I am sure that you will too. Before proceeding though, I want to extend a special welcome to NCBA's cochairman, Aaron Henry, who has been a close friend of the Kennedy family for many years. My family and Aaron have worked side by side on many legislative fronts, working closely with my father and other members of my family on civil rights issues, aging issues and many others in the past. I hope, for one, that we will continue in the future.

Maybe I could ask Aaron to just stand up so that everybody in the audience could recognize the quintessential civil rights leader and older American advocate.

Today's hearing will focus on abolishing poverty for older Americans. It is a subject of great personal interest to me. The NCBA report on the status of black elderly in the United States which

was prepared for the House Committee on Aging will serve as a springboard for discussion for our hearing this morning.

In addition, the committee will review its findings from the Villers Foundation's recent report entitled, "On the Other Side of Easy Street: Myths and Facts About the Economics of Old Age."

Both reports are solid and well researched documents that paint a disturbing picture about older Americans in general, and aged blacks in particular. The reports may also rebut many common myths that have emerged in recent years about the perceived state of affairs of older Americans from the so-called experts.

Our Nation has made considerable progress in reducing poverty among the elderly during the past quarter of a century. Most of these gains occurred during the 1960's and early 1970's, when sizeable Social Security increases were enacted into law. However, the number of poor elder persons and the percentage of elderly living in poverty have remained essentially unchanged over the course of the last 9 years.

Today 3.5 million older Americans are poor, according to the Census Bureau. Basically, this means that they are forced to eke out an existence on less than $4,156 a year as an individual or $6,503 for an elderly couple. Older Americans do not need a Harvard economist to tell them that just $99 a week for an individual and $125 dollars a week for a couple just does not go far enough in today's world.

Many older Americans are also teetering on the brink of poverty, or are perilously close if their circumstances should change. In fact, in addition to the 3.5 million elderly poor, 8 million elderly persons are economically vulnerable. They are struggling on an income level between 100 and 200 percent of the poverty line. Thus, 11.5 million older Americans, 42 percent of all people over the age of 65, are either poor or economically vulnerable.

Mr. Edward Cooper, a Board Member of NCBA and a President of NCBA's Boston Chapter, will provide this committee with powerful statistics about the magnitude of poverty amongst aged blacks. The harsh reality is that older blacks are the poorest of the poor amongst the elderly.

Many senior citizens did not become poor until they became old. But, a large percentage of older blacks have known poverty throughout their lives. The net impact is that older Americans now suffer from a form of double jeopardy because of race and age. They have been locked into the vicelike jaws of poverty throughout their lives and will quite likely remain in this condition until they die unless we act.

Supplemental Security Income, a program which is supposed to build a floor under the incomes of aged, blind and disabled people, leaves many older Americans in an economic basement. Today, the maximum SSI benefit represents only 75 percent of the projected 1987 poverty threshold for an aged individual and 89 percent for an elderly couple.

States can supplement the Federal SSI payment, but only 26 States and the District of Columbia act on this provision. These supplmental payments tend to be modest and, in fact, the median State supplemental payment for an elderly individual is just $36 a month.

The House Committee on Aging is also deeply concerned that the so-called safety net programs reach only a relatively small proportion of needy aged blacks and other low income older Americans. Nearly 11.5 million persons, 65 or older, were poor or near poor in 1985, the latest year that the Census Bureau information is available. Yet, only 2 million of these individuals received SSI. The net impact is that more than one-third of our aged poor persons in the United States who are currently eligible, never collect SSI.

Elderly poor people have a low participation rate in other safety net programs. Only 36 percent of the noninstitutionalized aged poor households have medicaid protection; just 29 percent receive food stamps; and only 17 percent live in federally-assisted housing. Quite clearly, these safety net programs have gaping holes, and the elderly poor are falling through them.

You know, in my family, my grandmother Rose Fitzgerald Kennedy is going to have her 98th birthday within the month. The fact is that my grandmother is now at a point where she has given to our family and to this country all of her time and effort and energy, and yet when she reaches a point in her life where she needs a helping hand, my family happens to have wherewithall to be able to protect her.

But, there are so many people in this audience today, and people around our State and our Nation who have also given of their time and their effort, and their energy and they are a part of the American family. As a part of that family it seems to me that they deserve the right to live to an older age in decency and in comfort, with free and decent medical care.

I know that is something that both Barney Frank and I will work hard towards achieving in this Congress and in future Congresses.

We have much ground to cover today and several witnesses to hear from. Consequently, I will keep my remarks brief, but I do want to emphasize some of the fundamental questions that the committee will seek answers to during this hearing and later.

First, what is the most effective means to reduce poverty for elderly and older Americans? Should the emphasis be on SSI, or other income maintenance programs, or something else?

Why is the participation rate for the elderly poor in SSI and other safety net programs so very low?

What impediments do low-income aged persons encounter when they apply for SSI and other benefits?

What can be done to reach out and find those low-income elderly persons who are eligible for safety net programs?

How can our Nation abolish poverty for older Americans in the most effective way? How can this goal be achieved during a period of great austerity and unacceptable large budget deficits?

Why has the number of aged persons receiving SSI declined about 500,000 since 1975 when the number of elderly poor persons has basically remained unchanged?

I hope that the testimony this morning will shed some light on all of this. Those end my remarks to open this hearing.

Mr. KENNEDY. I would like to now insert the opening remarks of the Committee Chairman, Ed Roybal, who is the Chairman of the

Select Committee on Aging and who unfortunately is unable to be here this morning. We will submit his remarks into the record.

[The prepared statement of chairman Roybal follows:]

PREPARED STATEMENT OF CHAIRMAN EDWARD R. ROYBAL

The issue of poverty among our senior citizen population is unfortunately not new to any of us. It is a matter which is of very serious concern to me, and I deeply regret that due to a previous engagement I cannot be with you at today's hearing. However, I know that my colleagues and good friends, Joe Kennedy and Barney Frank, will continue to provide the Committee with valuable leadership and information on this important matter. Mr. Kennedy and Mr. Frank are two of the hardest working members of the Committee on behalf of our low income older population. I look forward to receiving the expert testimony of the witnesses and to obtaining recommendations for developing more effective and comprehensive solutions to the serious, and growing, national problem of poverty among our older minority population.

It is with sincere appreciation that I extend my very best wishes to Mr. Samuel J. Simmons, President of the National Caucus and Center on the Black Aged, who has worked diligently over the past year conducting forums and hearings across the country in conjunction with my Select Committee on Aging. I am hopeful that the vast amount of new information and policy recommendations resulting from these efforts can form the basis for providing greater nationwide support for our poorest and most vulnerable older Americans.

Just this past week, the National Caucus and Center on the Black Aged held a press conference in Washington, D.C. releasing a report entitled, "The Status of the Black Elderly." Prepared in conjunction with the Select Committee on Aging, this report contains testimony from numerous expert witnesses verifying that minority individuals, and particularly the Black elderly, have a substantial need for supportive services. In fact, it has been documented that the need for supportive services among the Black aged is two to three and one-half times as great as those of the White elderly. Additionally, the report provides the kind of information that will greatly enhance the understanding of the Congress and the Nation concerning the needs of the Black and minority elderly communities. I am proud to have participated in this report's compilation, and it is my hope that it will spur interest in the private sector to assist us with developing effective remedies and solutions.

Through further hearings and activities, the Select Committee on Aging will continue to address the critical needs of our poorest and most vulnerable senior citizens. It is my hope that today's testimony will provide a valuable contribution to the Committee's efforts in this regard, and I wish to commend Representative Kennedy for his leadership in calling for this important hearing.

Mr. KENNEDY. Now, I would like to recognize my good friend and colleague, Barney Frank, who has not only been a leader on issues concerning the senior citizens, I think maybe his mom who happens to be here to testify this morning might have something to do with his leadership on that.

But, really in the past six months in Washington, D.C. there has been no Congressman that has been as kind and as effective in terms of looking out for the newest member of the Massachusetts delegation than my good friend Barney Frank. So, I am delighted to have him here.

STATEMENT OF REPRESENTATIVE BARNEY FRANK

Mr. FRANK. Thank you, Joe.

I want to express the appreciation I think everyone here feels to Joe Kennedy for taking the lead with his staff and organizing this hearing here in his district. It is very important that people have this kind of forum. There are not a lot of Members who want to give up a nice Saturday weekend and with Joe's willingness to take all the work on, it is easy for me. I come and leave and do not have to work.

Joe and his staff have put a lot into this and we appreciate it, and it is consistent with the concern he has shown in his first term for the needy and the vulnerable. Joe, I appreciate your acknowledging my mother. It occurred to me when you justifiably recognized Aaron Henry, one of the great figures in the history of this country in fighting to make our Constitution mean what it is suppose to mean, you mentioned that there was a person in the audience who has been a close collaborator with your father and it struck me that I could say that fortunately for me there was someone in the audience who had also worked closely with my father, my mother.

The question before us is in the most profound sense a political one. We do not mean political in the sense of partisanship, in the sense of turning out votes. We mean in the sense of how a country decides it is going to be governed. We are a wealthy Nation, not as wealthy as we once thought we were. We understand now that there are limits to what we can do, but we are far too wealthy a country to tolerate the degree of poverty that exists among older people.

You still, in many parts of this country, for many people, face a penalty when you get old. Your income drops and if your health fails, as it will for many of us as we age, it is part of the natural process of aging, you are penalized. It is unworthy of the great country that we live in for there to exist this kind of poverty.

It exists because of a series of political decisions that are made in Washington. Let us be very clear, we have a President of the United States who sends us a budget in which he wants to cut medicare further so he can send money to finance a war in Nicaragua that cannot be won and should not be won. That is what we are talking about. We are talking about misplaced priorities.

We are talking about a national government which mistakenly in 1981 decided to give a tax cut, part of which was needed, but part of which went to the wealthiest people of this country, so we

would cut back on the social security minimum. That is what we are talking about.

If we have the political will we can change public policy, not so that elderly people are all going to die rich. People who did not live rich do not expect to die rich, but they should not pay a penalty for getting old. The reward for having worked hard all your life in this country, at a factory, at an office, in a classroom, raising children, taking care of a family, the reward should not be that you live your later years at the brink of poverty or in poverty as Joe Kennedy mentioned.

So, these hearings are an important part of the political process in a broader sense. There does not have to be in this country the degree of poverty that still exists. Of course, we have made progress. One of the things that I think bothers me the most is it has become fashionable to talk negatively about having indexed social security. Nothing we have ever done in this country at the government level did more to reduce poverty than the indexation of social security benefits.

It was a very good thing that was done for older people not to have to come and beg their elected officials every year, but to be able to expect to at least be kept even with inflation so that in times of particularly high inflation they would not be forced to suffer. We should not apologize for those things. We ought to see them as an example of doing more.

This year it is essential that we make real strides in providing better health care for people. Not just protecting older people against catastrophic illness, but dealing with the problems of home health care and nursing home care and prescription drugs. We are going to make some progress on that, over the objection of the President, but we are going to make some progress.

Beyond that, we have got to continue to deal with the problems of poverty. The last point that has to be made is to deal with those who would try and create with no justification whatsoever a war of the generations.

Joe Kennedy and I are not here to do a favor for old people. We are American citizens who expect to grow old in this society. I want to grow old in a society so that when I reach the point in my life when I am ready to retire, at whatever age that is, and it should not be forced on me. But, at some point if I reach an age of retirement, at some point if my health costs increase and my earning capacity because of my decision diminishes some, I do not want to live in a society that penalizes me for that.

We are not talking about young people doing favors for old people. We are talking about establishing public policies so that at that stage in life when you are the most productive and able to support yourself there are appropriate policies, and when you reach a stage in your life when you are at a retirement age there are also appropriate policies.

This is not one doing for another. This is a uniform set of policies that we want to put into effect.

I want to express, again, my appreciation to Joe Kennedy for giving us this forum. I think the overwhelming majority of the American people if they understand that these are matters of choice will choose in a correct fashion. People will not choose to

continue inadequate medical care and inadequate income for older people.

This hearing is a very important step in the process of giving people the information on which they can make that choice. I thank Joe Kennedy and I thank all of you for coming.

Mr. KENNEDY. The Chair thanks Mr. Frank for his statement and it will be entered into the record.

Now, I would like to introduce the first panel. The Chair will hear testimony from the first panel of witnesses who are Mr. Ron Pollack,the executive director of the Villers Foundation which has done so much on this whole issue; Dr. Karen Davis, chairperson of the Department of Health Policy and Management, School of Hygiene and Public Health and Professor of Political Economy at the John Hopkins University; Mr. John E. Stallworth secretary of the American Association of Retired Persons; and Mr. Edward Cooper, president of Metropolitan Boston Chapter National Caucus and Center on the Black Aged, Inc.

The Chairs asks the witnesses to summarize their oral remarks at this time, but their entire testimony will be included into the record.

Mr. Ron Pollack, you may proceed with your testimony.

STATEMENT OF RONALD POLLACK, EXECUTIVE DIRECTOR, THE VILLERS FOUNDATION

Mr. POLLACK. Thank you, Mr. Chairman. It is wonderful to see you once again. I enjoyed working with you years ago when you were at the Community Services Administration, and you were one of the leaders in the fight against poverty. It is wonderful to see you in the Congress. It is good to have two Kennedys in the Congress. I only wish that there were two Kennedys in the House.

I am delighted and honored to have the opportunity to testify in front of Barney Frank, but no more honored than to be able to testify at the same hearing as with his mother. I am delighted to be here.

Let me say one other word before I summarize my testimony. Each of you gave tributes to Aaron Henry and I would like to also give my personal tribute to Aaron Henry. Aaron not only led the fight to open the closed State of Mississippi, but he also helped to open the eyes of so many of us and to give us a vision of conscience. For many people in my generation, I will speak personally for myself, Aaron truly was an inspiration. I am delighted to see you.

Twenty years ago a nationally renowned anti-poverty leader was asked by an enterprising journalist what is the main difference between poor people and others? His response was straightforward, the poor do not have money. That simple truism needs to guide our analysis today with respect to the elderly poor.

In looking for solutions to help the aged poor, we need to realize that there are normally two paths that people take out of poverty. One is employment and getting a job that is going to provide income that will raise you above poverty, and the second one is marriage. Now, for the elderly poor neither of those two remedies are quite as available as they are for the younger generation.

Only one out of nine elderly persons, poor or nonpoor, at any given time have a job. So, that particular remedy is not easily available for the elderly. Marriage, although it does occur for a fair number of senior citizens, is obviously less predominant than it is for a younger generation. It is for that reason that those seniors who tend to be poor tend to be poor on a chronic basis over a long period of time.

One-third of those people who fit into the category of the long-term poor are elderly. Now, that means that we need to look at some of the income support programs and to determine what we can do in order to change the income support programs in order to deal with poverty.

Now, the two main programs, of course, are social security and supplemental security income, SSI. I suggest that social security is probably a less likely vehicle to deal with our continuing significant population that is poor for a couple of reasons. One is political and that is I think that many people in Congress, many of the people who try to protect the Social Security Program, are worried about opening the debate on social security once again. They felt that after the 1983 Amendments, they do not want to leave the Social Security Program up for a vulnerable political discussion.

Secondly, most people are against means testing social security. Social security is really based on the principle of just desserts, and it is not based on principles of the good Samaritan. So, if we were going to target benefits social security is probably not our best vehicle for doing that.

That conclusion led the Villers Foundation together with the Commonwealth Fund's Commission On Elderly People Living Alone, directed by Karen Davis, to commission a study by the Urban Institute to look at strategies to end poverty among the elderly. It soon became evident that the SSI Program was the best vehicle in order to achieve that alleviation of poverty.

Despite its many failings, SSI is probably the most efficient mechanism for getting financial assistance to the elderly poor. I think the best way to characterize SSI is that SSI is half an idea whose time has come. We are all now waiting for the second coming. It is the first and only civilian program that provides a national floor or guarantee of income. The problem is that that floor, that guarantee, is extraordinarily low and it guarantees subpoverty.

Three major problems exist with respect to the SSI Program. One, the benefits are far too low. Secondly, the eligibility standards only permit program participation if one is totally destitute. Thirdly, only half of those who are eligible for assistance, even under the meager eligibility standards, are currently receiving such assistance.

Only 1 out of 3 of those elderly whose incomes fall below the poverty line are receiving SSI, to be exact 32 percent. Let me stress what we mean when we talk about the poverty line. The poverty line on a weekly basis means people have an income of less than $99 per week for all necessities.

I would like to focus on two aspects of what needs to be changed: benefit levels and eligibility. The current monthly benefit, as the Chairman indicated, is $340 a month which is only $78 per week.

As you also indicated, there are only 26 States in the United States, plus the District of Columbia, that supplement those benefits. The median supplement in those States that choose to supplement is only $36 per month.

Only four States in the entire United States supplement benefits at a level high enough to achieve that meager poverty line. Those States are Alaska, California, Connecticut and Massachusetts. But, before we brag even about the State of Massachusetts which is one of the most generous States with respect to SSI, let us keep in perspective what even in Massachusetts is provided to low income people.

The benefit level in Massachusetts as of January 1987 was $469. That is an entire benefit of $108 per week for all necessities. In real dollar terms in Massachusetts, the amount of the Massachusetts supplement has dropped since 1975 by 43 percent. In 1975 the supplement in Massachusetts was $111, today it is $129. In real dollar terms that is a drop of 43 percent.

Now, with respect to eligibility, in order to get the meager assistance that SSI provides, one must have assets that make you totally destitute. The eligibility standard requires that you have assets of less than $1,800. When the program began in 1974 the assets level was $1,500. In real dollar terms, therefore, the assets eligibility standard has dropped in half. That means that many people are no longer receiving SSI who might otherwise be eligible.

It also means, Mr. Chairman, that when they dropped out of the SSI Program they probably lost their eligibility for medicaid as well. Now, what shall we do? Clearly, what we need to focus on is changing eligibility and benefit levels so that they are higher and that they can guarantee that, at least, people can come above the poverty threshold.

The Urban Institute report—and I have appended to my written testimony an executive summary of that report—tries to provide calculations about the cost and benefits of the various options that they looked at. Not surprisingly, Mr. Chairman, the costs are not insignificant relative to an era of budget restraints.

If we increase the benefit levels in the SSI Program up to the meager poverty line and restored the assets eligibility standard in real dollar terms to where they were when the program started, by the time that program was fully implemented and mature—and mature meaning those people who became newly eligible learned about it and came into the program many years down the road—the total cost would be approximately $6 billion.

Now, the Urban Institute realized that $6 billion in this era of fiscal restraint is not something that we can easily achieve in this Congress. So, the Urban Institute tried to come up with some ideas for financing that so that we could pay for these benefits.

In guiding them they used three principles. One, is that the change should result in a cost neutral package. Secondly, the financing source should have some reasonable relationship to the improvement we are trying to achieve. And, third, it is preferable not to impose burdens on moderate income people, that is the financing vehicle should be progressive.

Now, they came up with a variety of different options. I just want to mention two of them to you and perhaps they can be dis-

cussed later on. One option focused on increasing the cap on the payroll tax from its current level of $43,800. That would only impact on the higher income individuals and corporations that hire them.

Currently, the payroll tax is very regressive. From the very first dollar of income that a person earns, it is taxed currently at a rate of 7.15 percent, in 1988 it will be 7.51 percent. However, for persons above $43,800 that taxation ceases. So, therefore, for lower income workers, for moderate income workers, they pay as a percentage of their payroll a higher percent to support the social security program than do higher income people.

If we increase the cap, from the $43,800 which it is today to, say, $75,000 we would raise very substantial sums of money. We would raise approximately $13 billion, more than double what we need to make the full improvements that I suggest with respect to the SSI Program.

The second option that I hope that we look at focuses on the estate taxes. Estate taxes, I think it is fair to say, involve more loophole than they involve tax. One of the lesser known facts with respect to the 1981 Reagan tax cuts was what happened with respect to the estate tax. In 1981 the estate taxes were changed in numerous ways, one of which increased the threshold of taxation to $600,000 and it decreased the rates as well.

The loss of revenue this year alone on the estate taxes from the 1981 changes is $10.1 billion. If we could restore some of the losses which mainly benefited high income people, we could finance an SSI package.

Thank you very much, Mr. Chairman.

[The prepared statement of Mr. Pollack follows:]

PREPARED STATEMENT OF RONALD F. POLLACK, EXECUTIVE DIRECTOR, THE VILLERS FOUNDATION

Mr. Chairman and members of the panel, I am honored to testify before you this morning as part of this important hearing on the formidable but urgent task of "Abolishing Poverty for Older Americans."

Your holding the hearing in the context of the conference of the National Caucus and Center on the Black Aged is truly fitting, for two reasons. First, over the years, NCBA's work toward a better life for all black aged, especially those with low and moderate incomes, has been exemplary. Second, because older blacks are the poorest of the poor among the elderly, ending poverty among the elderly would especially benefit black aged.

Members of this panel will have heard, by the end of the hearing, a great deal of the human stories behind the grim statistics that define the status of older blacks in America.

These facts include --

-- Older blacks' incomes are markedly less than those of older whites: the most recent figures available for the income of older blacks (1984) show median income of $2,825 for black women, $4,113 for men, which represent just 72% and 55%, respectively, of the figures for older whites.

-- Almost one-third of older blacks -- 31.5% -- fell below the official poverty line in 1985, compared to one in nine -- 11% -- among older whites.

Given these stark figures, defining the most pressing problems of older black Americans becomes almost easy: how can this large group of persons with woefully inadequate incomes increase those incomes?

Without wanting to suggest that there is an easy "answer" for this question, let me suggest the outlines of a strategy that could allow significant progress to be made in a fiscally responsible way.

In considering how we can increase the meager incomes of the elderly black poor, we should recall the response of the 1930's gangster, Willie Sutton, when asked why he robbed banks: "Because that's where the money is."

Where is the money for low-income older Americans of all races? Social Security is important, to be sure, but major changes in that benefit structure so soon after the landmark 1983 amendments might prove impossible. The most appropriate vehicle, I believe, is the Supplemental Security Income, or SSI program.

SSI has paid cash benefits to low-income aged, blind and disabled for the past 13 years. Some 4.2 million persons participate in SSI, about half of them over age 65. And according to the House Ways and Means Committee, though

blacks constitute less than eight percent of the nation's elderly, they comprise 27% of SSI participants who identified themselves by race.

Since it first began paying benefits in 1974, SSI has held enormous potential for placing a sound economic floor under America's needy aged, blind and disabled. It does have the distinction of being the first federally guaranteed, annual income in our history. But it has not, as many thought at the time, made a dent in poverty among the elderly. Indeed, the poverty rate among the elderly is virtually unchanged since SSI began paying benefits: it has declined only from 14.6% in 1974 to 12.6% last year; among older blacks, the rate has also declined only slightly, from 34.3% to 31.5%.

Thus there has been a relatively stable number of elders -- 3.5 million in 1985 -- with incomes below the poverty line. Given the miserly nature of life at that income level, and the wealth of this nation, such a continuing pocket of poverty is nothing short of a national disgrace.

Over a year ago, the Commonwealth Fund's Commission on Elderly Living Alone, acting jointly with the Villers Foundation, asked the Urban Institute and Jack Meyer, then with the American Enterprise Institute, to look at ways in which elderly poverty could be alleviated. The report from that project was released recently and the executive summary of the study is attached as an appendix to this statement.

Although the authors had wide discretion to examine different strategies for dealing with elderly poverty, they settled very quickly on the SSI program as the best vehicle. Its benefits are universal (though States can choose to supplement them) and adjusted each year for inflation. Its eligibility standards are uniform and nationwide. And perhaps just as important, in all but a handful of states, SSI eligibility carries with it automatic eligibility for Medicaid -- particularly crucial for the elderly, whose out-of-pocket health expenses are three times those of younger Americans. What changes should be made in SSI? There are two major structural shortcomings in the SSI program identified by the Urban Institute report:

First, the federal SSI benefit levels fall substantially below the poverty line. In 1987, the maximum federal SSI benefit for an elderly individual is just $340 per month ($4,080 annually) -- or approximately 75% of the projected 1987 poverty line ($5,410). For elderly couples, the maximum federal benefit level is $510 per month ($6,120 a year) -- or about 90% of the projected line in 1987 ($6,830).

SSI's funding structure permits states to supplement federal benefits. Only 26 states (and the District of Columbia) do so. Even among those States,

the median SSI supplement for an elderly person living alone is only $36 a month -- and since 1975 the real-dollar purchasing power of that supplement has eroded by 56%. Indeed, only four states (Alaska, California, Connecticut and Massachusetts) provide supplements to elderly individuals in amounts which, when added to the federal benefit, result in incomes above the poverty line.

Second, an elderly person cannot qualify for SSI benefits unless he or she has extremely limited "countable assets": not more than $1,800 for an individual and $2,700 for a couple in 1987 -- just over half the amounts of the 1984 levels, in real terms. According to the Urban Institute report, that erosion alone has squeezed almost a quarter million persons out of the SSI-eligible ranks, on the grounds that they have "too many resources."

One can deal with these shortcomings in very straightforward terms: increase the federal benefit standard to the poverty line, and restore the resource limits at least to their 1974 real levels. That would translate, in 1987 terms, to individual benefits of about $450 a month, couple's benefits of about $570 a month, and resource limits of $3,200 and $4,800, respectively.

This would pose no administrative problems whatever; it simply changes the rules in an existing benefit program, rather than creating a new one.

But such changes would not come cheaply, at least in the long run. According to the report, after changes are fully phased in, and after participation rates among those eligible reach expected maximums, the cost of these two major improvements could reach as much as $6-7 billion a year in new federal dollars.

FINANCING SSI IMPROVEMENTS

The Urban Institute/Jack Meyer project was also charged with identifying ways in which these funds could be raised. Further, in an effort to avoid even the appearance of fostering "intergenerational conflict," almost all of the financing options fit one further criterion: they bear some connection with the population that would benefit from the strengthened protection against poverty in SSI.

The authors suggest changes in payroll taxes, changes in the tax treatment of social security benefits, even curtailing cost-of-living adjustments under social security (I know the Committee will recognize that the latter owes its presence to intellectual completeness, not desirability).

One set of options deserves special attention: that is, proposals to recapture some of the enormous estate tax breaks granted to the wealthiest Americans in 1981. Maximum rates were lowered by 29%, and the size of an estate that could completely escape taxation was increased from $175,000 in 1981 to $600,000 today. The 1981 changes alone will cost the government $10.1 billion in FY 1989 -- almost twice the projected amount of gift and estate tax receipts. In other words, the federal estate tax today is more loophole than law.

Merely restoring the threshold to its 1985 level ($400,000) is estimated by CBO to yield more than $5 billion over three years. Even if the estate tax is tapped for some of the revenues needed for FY 1988 budget purposes, major opportunities to recapture revenues will remain.

Though there is no painless way to raise substantial amounts of money, we believe that the Urban Institute/Jack Meyer report lays out a number of sound, feasible options for financing these urgently needed SSI improvements.

There is no excuse, Mr. Chairman, for elders in America to have to subsist on incomes below the poverty line, itself such a meager measure of need in such an affluent society. Ending poverty among elders won't be easy to accomplish, but we have the means to do it if we can summon the political will. With the leadership of you and your colleagues on the Committee, it will get easier.

Thank you.

EXECUTIVE SUMMARY

TOWARD ENDING POVERTY AMONG THE ELDERLY
AND DISABLED:
POLICY AND FINANCING OPTIONS

A Report Prepared for:

The Villers Foundation
and
The Commonwealth Fund
Commission on Elderly
People Living Alone

By:

Sheila B. Zedlewski, The Urban Institute

and

Jack A. Meyer, New Directions for Policy

February 27, 1987

Opinions expressed in this paper are those of the authors and do not necessarily represent the view of The Urban Institute or its sponsors.

THE URBAN INSTITUTE
2100 M Street, N.W., Washington, D.C. 20037

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EXECUTIVE SUMMARY

The goals of this study are to examine a set of public policy proposals for substantially reducing poverty among elderly and disabled persons in the United States, to calculate the cost of achieving this objective, and to suggest a variety of ways that this cost could be met.

Recent progress in reducing poverty among the elderly population sometimes obscures from our view that a substantial number of the elderly remain poor. Three and one-half million elderly persons -- about 13 percent of all persons age 65 and older -- had incomes below the poverty line in 1985. Poverty is relatively common for some subgroups of the elderly population -- the poverty rate for elderly female-headed families was 23 percent in 1985, and the rate for elderly blacks was 31 percent. But, poverty is relatively uncommon for elderly married couples -- their poverty rate was 6 percent in 1985. Thus, the overall poverty rate for the elderly masks the fact that there are striking income disparities within the elderly population.

Poverty rates for disabled adults are particularly high. More than one-third of disabled adults had incomes below the poverty line in 1983. Further, one-half of the disabled persons living independently had incomes below the poverty line.

The federal Supplemental Security Income(SSI) Program began to guarantee a minimum level of cash income to elderly and disabled persons in 1974. But, the federal benefit guarantee falls short of the poverty line. For example, the federal benefit for single persons -- the most common living circumstance for the elderly poor -- is equal to 76 percent of the aged poverty line. As its name indicates, the program was designed to supplement other income for retired and disabled persons. Since the concept of a minimum social security benefit was eliminated in 1981, SSI is the only program that guarantees a basic level of cash income support for the elderly and disabled poor. About half of the states supplement the federal benefit, but in most cases the supplement is modest. The combined federal and state benefits meet the aged poverty line in only four states. The average real value of state supplements has eroded significantly since 1974 because supplements are not indexed for price inflation.

This study focuses on improvements in the SSI program as a means to end poverty among the elderly and disabled. The costs associated with improving the federal SSI program are estimated and the effectiveness of various program changes for alleviating poverty among the elderly and disabled poor populations is analyzed. The SSI policy options that are analyzed include: increasing the benefit guarantee to the aged poverty line, increasing the guarantee to the mid-point between current law and the aged poverty line, liberalizing the assets test, increasing the cash income disregard, reducing the age at which one can apply for benefits, and combining a higher benefit guarantee with the

options that expand benefit eligibility. The study estimates how many persons would be affected by each option, what their characteristics are, and how program participation is likely to be affected by each change.

The second part of the study analyzes a variety of options that could finance the improvements in the SSI program. The options were limited to ones that are conceptually linked to the life-cycle process of transferring income from the working years to the retirement years, or to the aging process and the health and retirement needs of the elderly. The financing options were also limited to those that are realistic in view of recent government action on tax reform and clear public policy mandates. Thus, the options either involve broadening the tax base or reducing government expenditures. The first category includes: taxing a greater portion of income from social security (by increasing the portion of income that is taxed, lowering the current tax thresholds, or both), increasing the amount of wages subject to the payroll tax (including several options that provide an exemption on the first portion of wages earned each year), and limiting certain tax preferences (including lowering the estate tax thresholds, taxing capital gains at death, and taxing employer contributions to employee health insurance above certain limits). The second category of financing options includes a one-year suspension and a one-year reduction in the social security benefit cost-of-living increase. The study estimates the revenues that would be generated by each option, and the income distributional consequences for the elderly and non-elderly populations.

The analysis of the SSI policy and financing options leads to the following general conclusions:

- Improvements to the SSI program would substantially reduce poverty among the elderly and disabled,
- These program improvements could be financed with any one of a number of the financing options considered, and
- The financing burden would have a modest and equitable impact on the non-poor elderly and non-elderly population.

Several factors lead to these conclusions. First, most of the funding options selected are expected to increase in real terms over time, while SSI program expenditures are expected to remain stable. Second, it takes time before the behavioral response to new program rules is complete, insuring a gradual increase in SSI expenditures. A number of the financing options generate more than enough revenue to finance the SSI policy options in the short run. Others generate sufficient revenues in the longer run. Thus, a budget-neutral proposal could be achieved either by fully implementing the SSI improvements at one time and choosing an option that generates enough revenue in the short run, or by scheduling gradual improvements in the SSI program so that a more modest change in tax policy would finance the package. This latter strategy could be designed so that the entire burden of reducing poverty for the elderly and disabled would be financed with small increases in taxes for families in the top one or two deciles of the income distribution. The major findings of the detailed analysis are reviewed below.

The Current SSI Program. The analysis of the SSI program highlights the following features of the program:

- There has been no real growth in the SSI program in the last twelve years.

About 4 million persons receive benefits from the SSI program each month. Today more than half of the beneficiaries are disabled, while in the early stages of the program, the majority of the beneficiaries were aged. The total SSI caseload has been fairly constant over the program's twelve-year history. In fact, total federal SSI expenditures ($8 billion in 1983 dollars) were about the same in 1984 as they were in 1974, after adjusting for inflation. State SSI expenditures have declined sharply during the same period because state supplements to the basic federal guarantee are not automatically adjusted for inflation.

- Federal benefits are sufficient only to relieve extreme poverty among the elderly and disabled.

With current benefit levels the SSI program alleviates extreme poverty, but it has little effect on actually reducing the poverty rates of the elderly and disabled. For example, federal SSI benefits cut in half the percent of single elderly persons living alone who have incomes below 75 percent of the poverty line. But, the poverty rate for this group is 28 percent whether it is measured with or without federal SSI benefits. State supplements have only a small effect on poverty rates of beneficiaries -- the poverty rate for the aged singles living alone drops from 28 to 25 percent when the state supplements are included in their cash incomes. Moreover, food stamp benefits have no significant effect on the poverty rates for single persons.

- Program participation rates have been consistently low throughout the program's history.

About 50 percent of the aged and 55 percent of the disabled who are eligible for benefits actually participate in the program. In general, persons with the greatest need (and therefore, the highest benefits), have the highest participation rates. But, even among persons eligible for high benefits, the participation rate reaches only about 70 percent. In contrast to previous studies, the results show that the size of the state supplement is not a strong participation incentive. Instead, the raw level of need seems to drive participation rates. States with highest elderly poverty rates have the highest participation rates, and these tend to be states without supplements.

Options for Alleviating Poverty. Some of the findings of the analysis of the SSI policy options are as follows:

- If the federal SSI benefit guarantee were increased to the aged poverty line, eventually 1.2 million more persons would be added to the SSI caseload and federal costs would increase by $5.1 billion (in 1983 dollars).

The SSI caseload would expand not only because the higher guarantee would make more persons eligible for benefits, but also because the higher benefits would induce more persons who are already eligible to participate in the program. The vast majority (79 percent) of the new program participants would be aged persons. Nevertheless, the bulk of the increase in federal costs would

go toward raising benefits for current recipients. A $0.5 billion dollar offset from a reduction in food stamp benefits would bring the net cost of this option down to $4.6 billion. In addition, if current state supplements were maintained, state costs would increase by $0.7 billion. Of course, most states would not be required to maintain their current level of supplements since the new federal guarantee would exceed current benefits in all but four states.

The total increase in the SSI program is likely to be gradual, since it would take time until the behavioral response to new program rules was complete. In addition, if benefits were increased to the aged poverty line in two steps, the short-run impact would be reduced to $1.7 billion for federal expenditures (net of food stamp savings).

- The poverty rate for the aged would drop to 8 percent if the federal guarantee were set at the aged poverty line. This represents about a 38 percent reduction in the incidence of elderly poverty.

Of course, the relative decline in the poverty rate for some of the particularly disadvantaged elderly groups is greater. For example, the poverty rate for aged singles who live alone would drop from its current level of 25 percent to 14 percent. This policy option does not eliminate poverty among the aged because some of the elderly poor have assets above the allowable limits in 1983 ($1,500), and because some are not likely to participate in the program. For example, of the 1.1 million aged single persons with incomes below the poverty line after the simulated federal benefit guarantee increase, about 0.5 million (45 percent) were ineligible because of the assets test.

The study also shows that a number of incremental improvements could be made in the SSI program with only modest increases in federal or state expenditures. For example:

- If the asset limits were indexed for price inflation from their original 1974 levels, providing limits of approximately $3,000 for singles and $4,500 for couples, federal SSI expenditures would increase by $48 million. This option expands eligibility by 230,000 (mostly aged) persons, but only 12 percent of this group would be expected to participate in the program since the newly-eligible group as a whole would be eligible for fairly small benefits.

- Indexing the cash income disregard from its original 1974 level would have a somewhat larger effect, since it expands eligibility to more persons with income from other sources, and because beneficiaries already participating in the program who have income from other sources would have a small benefit increase. With this policy option, federal expenditures increase by $443 million, and 163,000 more persons participate in the program.

- Providing eligibility to persons age 62-64, regardless of their health, would increase the SSI caseload by 228,000 persons, and it would increase federal costs by $476 million and state costs by $112 million.

In order to have the maximum effect on alleviating poverty among the elderly and disabled, the higher federal benefit guarantee should be combined with the options that expand some of the other program parameters. This would provide eligibility to some of the persons who are poor but shut out of the program because their assets are above the limits or they are just below the age limit

at the same time that a more generous benefit guarantee were provided. But, combinations of these options would increase the caseload and expenditures by somewhat more than a simple combination of the resources required for each of the separate options. The simulation estimates show (in 1983 dollars), for example:

- If the asset limit and cash income disregard indexing features were combined with the aged poverty level guarantee, federal expenditures would increase by $6.2 billion, and state costs by $0.9 billion. The caseload would increase by a total of 1.7 million persons, including 1.4 million aged persons.

- Adding the feature that provides benefit eligibility at age 62 would cost an additional $1.5 billion in federal expenditures, $0.2 billion in state expenditures, and it would provide benefits to an additional 0.6 million persons.

Of course, federal expenditures for the combined SSI policy options could be moderated by implementing the new policy gradually. In addition, federal expenditures would be offset by a reduction in food stamp costs of $.6 billion for both options.

It is more difficult to estimate the potential effect of expanding the SSI program on Medicaid costs. Beginning in 1987 states are allowed to offer Medicaid benefits to all persons with incomes below the poverty line. (In the past most states required SSI or AFDC eligibility.) If all states implement the new option, expansion of the SSI program would have no effect on Medicaid eligibility since all of the elderly and disabled poor would already have coverage. To the extent that states do not implement the new coverage option, increases in the SSI caseload will increase Medicaid eligibility and federal and state costs for the additional Medicaid benefits. The maximum long-run total increase in Medicaid costs (assuming that no states opt for coverage of the non-SSI poor), would be in the $1.1 to $1.6 billion range for the option that raises the federal guarantee to the aged poverty line.

Financing the SSI Improvements. The analysis of financing alternatives shows that a number of options could generate sufficient revenue to finance the expansion of the SSI program, but that one must keep in mind the distributional consequences of the alternatives since a couple of options are likely to have adverse effects on low- to moderate-income persons. All of the revenue estimates presented below have been adjusted to 1983 dollars so that they can be easily compared to the costs of the various SSI policy options shown earlier.

The analysis of additional taxation of social security benefits shows that this option could generate substantial revenues. For example:

- Taxing the entire portion of benefits that were never taxed during a beneficiary's lifetime, instead of the current partial taxation, would generate $1.8 billion in 1983 and $3.2 billion by 1988. (The total amount of benefits received over lifetime payroll tax contributions is about 85 percent of total benefits, but currently only 50 percent of benefits are taxed.) Revenues from this financing source would increase rapidly over time because new retirees have higher real benefits and because the proportion of the elderly with incomes exceeding the fixed

tax thresholds continually increases. For example, by 1991 this option would generate enough revenue to finance increasing the federal guarantee to the aged poverty line.

- If social security benefits were fully taxable, that is, the thresholds were removed and the portion of benefits taxed were increased to 85 percent, $9.7 billion would be generated in 1983. These revenues would exceed $11 billion in 1988 -- an amount substantially greater than all of the SSI policy options considered.

A distributional analysis of social security benefit taxation shows, however, that full taxation of benefits would have some negative effect on families just above the poverty line and that a disproportionate share of the financing burden would be born by middle-income elderly families. In contrast, the option that is limited to increasing the portion of benefits taxed would only affect the elderly in the highest income deciles, and the additional taxes would not represent a large share of their incomes. For example, this option would decrease the gross incomes of elderly families in the highest income decile ($35,000 and above) by a maximum of 1.6 percent.

The analysis of financing options also shows that broadening the payroll tax base would have considerable capacity for financing the SSI policy options. For example,

- Increasing the wage base to $75,000 for only the employer's share of the payroll tax would generate more than enough to finance any of the SSI policy options considered.

- If the wage base were increased to $75,000 for the employer's and the employee's share of the payroll tax there would be sufficient revenue to raise the federal benefit guarantee to the aged poverty line and to provide a $1,200 tax exemption on the first dollars earned.

Thus, the latter option would make the payroll tax more progressive and provide workers with further insurance against poverty in the event of disability or old age. A distributional analysis shows that this option would provide increases in income for all families except those in the top 10 percent of the income distribution.

The analysis of financing the improvements in the SSI program through reductions in one or more tax preferences enjoyed by the wealthy or highly-compensated employees shows several options that would generate significant revenues. The conclusions are the following:

- A modest recision in recent liberalizations of the estate tax laws could generate significant tax revenues to finance SSI program improvements. For example, if estates valued at $400,000 or more were taxed, instead of the $600,000 scheduled for 1988, $1.5 billion would be generated.

- A very modest proposal to tax capital gains at death or implement an accessions tax could generate sufficient funds to reduce elderly and disabled poverty because only a very small fraction of non-charitable transfers are currently subject to taxation.

- The current tax exemption for all health insurance premiums cost the government an estimated $30.7 billion in revenue in 1983. If premiums above $200 a month for a family and $61 for a single person were taxed, $3.5 would be raised in 1988, more than enough to fund the incremental increase in SSI benefits to the aged poverty line.

The last options considered, the only ones that involve reductions in current government spending, examine a one-year suspension and a two

percentage-point reduction in the social security benefit cost-of-living increase. Revenue estimates show that substantial revenues would be generated by a COLA suspension or reduction. For example, the simulation estimates show that a 2 percentage point COLA reduction would have saved about $3 billion in 1983, and a suspension of the entire 4 percent COLA would have saved about $6 billion. However, the distributional analysis shows that the financing burden of this type of option would fall more heavily on low-income families than on other families. Since many of these families would not be eligible for the increased SSI benefits, it would not seem wise to finance increased benefits for the poor at the expense of the near poor.

Table V.1

Supplemental Security Income Policy Options:
Estimates of Net Federal Expenditures in 1988[1]

[Billions of 1983 Dollars]

SSI Policy Option:	Short Run[2]	Long Run[2]
1. Increase the Federal guarantee mid-way between current law and the aged poverty line.	1.72	1.84
2. Increase the Federal guarantee to the aged poverty line.	3.94	4.55
3. Increase the asset limits:		
a. Index from 1974	.02	.05
b. Double the indexed limits	.07	.13
4. Index the cash income disregard	.35	.39
5. Lower eligibility age to 62	.27	.48
6. Combine the Federal aged poverty line guarantee with the indexed asset limits and cash income disregard.	4.67	5.68
7. Combine the Federal aged poverty line guarantee with the indexed asset limits, an indexed cash income disregard, and lower eligibility age to 62.	5.45	7.04
8. Combine the Federal guarantee mid-way between current law and the aged poverty line with the indexed asset limits and cash income disregard.	2.05[3]	2.27[3]
9. Combine the Federal guarantee mid-way between current law and the aged poverty line with the indexed asset limits, an indexed cash income disregard, and lower eligibility age to 62.	2.40[3]	2.82[3]

Source: Estimates from the Urban Institute's TRIM2 model, based on the March 1984 Current Population Survey.

Notes: 1. Additional Federal expenditures for SSI benefits less reductions in food stamp benefit expenditures.
2. "Short run" and "long run" refer to assumptions regarding program participation behavior, not specific periods in time. In the "short run" we assume that the participation rate of new eligibles is 60 percent of their "long run" expected participation rate.
3. Options 8 and 9 (*) were estimated from the simulation results for options 6 and 7, respectively, using a proportional rule that assumes that the relationship would be the same as that shown for options 1 and 2.

Table V.2

Options for Financing Improvements in the SSI Program:
Estimates of Federal Revenues in 1988

[Billions of 1983 Dollars]

Policy Option:	1988
1. **Additional Social Security Benefit Taxation:**	
a. Increase portion taxed from 50 to 85 percent	3.2
b. Decrease taxation thresholds to $16,000 for couples and $12,500 for singles	1.9
c. Eliminate the tax thresholds	7.2
d. Increase portion taxed to 85 percent and decrease taxation thresholds to $16,000 for couples and $12,500 for singles	5.5
e. Increase portion taxed to 85 percent and eliminate the thresholds	11.0
2. **Increasing the Payroll Tax Base:**	
a. Increase the base to $75,000 for the employer	6.8
b. Increase the base to $75,000 for the employer and the employee	13.6
c. Increase the base to $75,000 for the employer and the employee and provide a $1,200 exemption on the first dollars earned for every employee	1.4
d. Eliminate the cap for the employer, set the cap at $75,000 for the employee and provide a $2,000 exemption on the first dollars earned for every employee	5.0
3. **Increasing Estate Taxation:**	
a. Freeze estate tax exemption at $600,000	N.A.
b. Reduce estate tax exemption to $400,000	1.5[1]
4. **Taxing Capital Gains at Death**	1.8[2]
5. **Implement an Accessions Tax**	N.A.
6. **Limiting Exclusion of Capital Gains on Sale of Owner-Occupied Housing:**	
a. Lower the Exemption	N.A.
b. Defer tax on Gain Until Death	N.A.
7. **Limiting Employee Benefit Tax Preferences:**	
a. Reduce 415 Limits to $60,000 in defined benefit plans and $15,000 for defined contribution plans	1.4[3]
b. Place a ceiling on the amount of health insurance coverage exempt from taxation -- $200 per month for families and $80 per month for individuals	3.5[4]

Policy Option:	1988
8. **Limit Social Security Benefit COLAs:**	
a. One-year freeze	6.3
b. One-year limit to CPI less 2 percent	3.2

Source: Unless noted otherwise, the estimates are from The Urban Institute's TRIM2 microsimulation model, based on the March 1984 Current Population Survey. The TRIM2 estimates have been adjusted to 1988 as discussed in the text.

Notes:

1. CBO, "Reducing the Deficit: 1986," op. cit. page 309, deflated to 1983 dollars.
2. Ibid., page 308, deflated to 1983 dollars.
3. Ibid., page 272, deflated to 1983 dollars. This estimate is based on the pre-1986 version of the federal income tax code.
4. Ibid., page 272, deflated to 1983 dollars. This estimate is based on the pre-1986 version of the federal income tax code.

Mr. KENNEDY. Thank you very much, Mr. Pollack.

We will keep the record open for over 2 weeks to extend what ever remarks you might have, or any of the witnesses might care to provide into the official record.

I should have mentioned that Ron Pollack and I have gone back a long way in our own personal relationship back into the antipoverty days, and even before we met Ron was a dedicated antipoverty worker. So, I am deeply honored to have him participate here this morning.

Now, I would like to introduce Dr. Davis. Dr. Davis has done a tremendous amount of work on senior citizens and their plight in poverty, and we are looking forward to her testimony.

STATEMENT OF DR. KAREN DAVIS, CHAIRMAN, THE DEPARTMENT OF HEALTH POLICY AND MANAGEMENT, THE JOHNS HOPKINS SCHOOL OF HYGIENE AND PUBLIC HEALTH, AND PROFESSOR OF POLITICAL ECONOMY

Ms. DAVIS. Thank you, Mr. Chairman and Congressman Frank, for this opportunity to testify on eliminating poverty among elderly people. As director of a private commission funded by the Commonwealth Fund, the Commission on Elderly People Living Alone, I would particularly like to focus my remarks on the problems of those elderly who are at triple jeopardy, those who are old, alone and poor.

Elderly persons who live alone suffer poverty rates five times higher than elderly couples. About one in five older Americans who live by themselves have incomes below the poverty level. Poverty among blacks and other minorities is even higher, almost two-thirds of black women aged 85 and older who live alone are poor. The elderly who live alone often lack the essential economic, physical, and emotional support that can mean the difference between a dignified old age and a spiralling deterioration.

Among the elderly who live alone poverty incidence is dramatically high for minorities, 43 percent of blacks and 35 percent of Hispanics compared with 16 percent of white elderly people who live alone are poor. Many elderly who live alone have incomes just above the poverty level. About one-fourth of the elderly living alone have incomes between 100 percent and 150 percent of the Federal poverty level. Together 43 percent of elderly living alone are poor or near-poor. Among blacks and Hispanics, an astounding 70 percent live on incomes under 150 percent of the poverty level.

The problem of the elderly poor is to a substantial degree a problem of widow's poverty. A study that we supported at the Commonwealth Fund Commission provides new data on why single elderly people, widows in particular are poor. The study found that about half of widows were not poor before the death of their husband, about half the poor widows became poor as a result of their husband's death.

That happened for two reasons, medical and other bills that came with the death of the spouse, and also the loss of pension income that they received when the husband was still alive. Husbands of poor widows had worse health and they retired earlier. They also earned less when they worked. All of these factors sug-

gest lower income relative to need during the family's working years, resulting in less savings, and finally resulting in the very low savings of the elderly who live alone.

Our commission also looked into the future and did estimates about what will happen to poverty by the turn of the century and out to the year 2020. Many people feel that this poverty will take care of itself over time and will go away. We found that that is not the case. The poverty rate for elderly who live alone will be exactly the same at the turn of the century as it is today and decline only slightly to 15 percent by the year 2020.

So, improvements in women in the work force, improvements in private pension are not going to take care of this problem in the future, it will continue. In fact, the absolute number of elderly who are living alone in poverty will increase from 1.7 million in 1987 to 2 million in the year 2020. Poverty rates among elderly who live alone and are over the age of 75 will actually go up from 22 percent today to 25 percent by the turn of the century.

The SSI Program, through cash assistance and conferring eligibility for other public programs, does help about 1.5 million aged Americans who currently participate in the SSI Program. Despite the existence of this important program, many elderly persons struggle to live under substantial economic difficulty.

You might ask, why if we have the SSI Program do we have so much poverty, and why will it continue? There are three basic reasons. First, the benefit level for SSI does not equal the poverty level. This is a particular problem for elderly who live alone where the SSI benefit level is set at only 76 percent of the poverty level. But, even for couples the benefit level is only 90 percent of the poverty level. So, one can be on SSI and still remain poor.

Some States supplement the SSI Program. Mr. Pollack mentioned the deficiencies with State supplementations. Massachusetts is one of the four or five States that actually contribute more significantly. Other States do nothing at all or much less than Massachusetts where the elderly do get some supplemental payments in addition to the Federal payment.

More importantly, not all of the poor receive SSI. About two-thirds of the poor, in fact, do not receive SSI and that is for two reasons. One, there is a very severe assets test that keeps people off of the program. But, particularly troubling is that it appears that a lot of people who are eligible for SSI, in fact, do not receive it.

The commission supported a survey by Lou Harris and Associates that found that about half of those eligible do not receive such benefits. We asked them why did they not participate. About half either had never heard of the program, or did not think they were eligible. We all agree with Mr. Pollack that one of the most important things to be done is to improve the SSI Program, to increase the benefit level at least up to the poverty level. If one were to do that it would drop the poverty rate immediately from 19 percent to 14 percent for elderly who live alone, and by the year 2020 would cut the poverty rate to half, about 10 percent.

An 85 year old widow in poor health simply does not have a possibility of earning money. Income support through the SSI Program is the only option available. This improvement in the economic security of one of the most vulnerable groups of our popula-

tion could be achieved by devoting even a smaller and smaller share of the Nation's gross national product over time. It is well within our means to do this and shall receive high priority consideration. Thank you.

[The prepared statement of Dr. Karen Davis follows:]

PREPARED STATEMENT OF DR. KAREN DAVIS, CHAIRMAN, THE DEPARTMENT OF HEALTH POLICY AND MANAGEMENT, THE JOHNS HOPKINS SCHOOL OF HYGIENE AND PUBLIC HEALTH; AND PROFESSOR OF POLITICAL ECONOMY

Thank you, Mr. Chairman for this opportunity to testify on eliminating poverty among elderly people. The perception that elderly persons are better off economically than the rest of the population in America has gained currency in recent years. While many older persons enjoy financial security, in part because of improvements in Social Security, a disturbing high percentage are poor, living on much less than the $104 a week poverty level.

Almost two million elderly people face a particularly difficult set of circumstances: they are old, alone, and poor. Elderly persons who live alone suffer poverty rates five times higher than elderly couples, 19 vs. 4 percent. Poverty among blacks and other minorities is even higher. Almost two-thirds of black women aged 85 and older who live alone are poor. The elderly who live alone often lack the essential economic, physical, and emotional support that can mean the difference between a dignified old age and a spiralling deterioration.

I would like to share with the Committee information on the economic plight of this subset of the elderly population and discuss the importance of improving the SSI program to provide a modicum of economic security for those living alone in old age.

Poverty Among Elderly People Living Alone

Of the 27 million noninstitutionalized elderly persons in the U.S. at the present time, almost 9 million face a complicating factor: they live alone. Two-thirds of the elderly who live alone are widows, many of whom suffered a sharp decline in income following retirement or the death of a spouse. Half of the elderly living alone are over the age of 75; close to half are in fair or poor health.

Those who live alone do not share in the general economic prosperity that faces elderly couples. In 1987, the "poverty line" for an elderly single person is $5,393 -- or $104 per week. There can be little doubt that this level of income represents real deprivation, where hard choices among the necessities of food, shelter, and medical expenses are a daily reality. Poverty rates for those who live alone in 1987 are estimated to be 19 percent -- five times as high as the poverty

rate for elderly couples. About 1.7 million elderly living alone are living in poverty, including approximately 1.1 million elderly widows. Twenty percent of these poor widows are black.

Among the elderly who live alone, poverty incidence is dramatically higher among minorities -- 43 percent for blacks and 35 percent for Hispanics -- compared with a poverty rate of 16 percent for white elderly people living alone.

Many elderly who live alone have incomes just slightly in excess of the poverty level. About one-fourth of the elderly living alone have incomes between 100 percent and 150 percent of the federal poverty level. Together 43 percent of elderly living alone are poor or near-poor. Among blacks and hispanics, an astounding 70 percent live on incomes under 150 percent of the poverty level.

The causes of poverty among the elderly living alone are complex. For many elderly persons, high inflation in the 1970s eroded the value of many sources of retirement income; savings accounts lost purchasing power as did some pension and annuity incomes. For other elderly persons, rapidly escalating medical costs and unexpectedly longer life spans stretched savings thin.

The problem of the elderly poor is to a substantial degree a problem of widow's poverty. A recent study conducted for The Commonwealth Fund Commission on Elderly People Living Alone provides important new data on why single elderly persons, and widows in particular, are poor. The study finds that:

- About half of widows were not poor before the death of their husband.
- A husband's death can cause his widow's poverty in several ways:
  - -- Medical and funeral expenses consume resources;
  - -- Pension income is frequently lost.
- Husbands of poor widows had worse health and retired earlier. They also earned less when they worked. All of these factors suggest lower income relative to needs during the family's working years, resulting in less savings, and finally resulting in the very low asset incomes of the elderly who live alone.

In another study, the Commission has estimated the poverty gap among elderly people -- that is, the amount of money that would in principle eliminate their poverty. For all elderly persons, the total poverty gap is close to $3 billion in 1987. The elderly living alone account for 60 percent ($1.8 billion) of this total even though they make up only one-third of the elderly population. Elderly widows living alone have a poverty gap of $1.2 billion.

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Future Trends

The Commission has estimated future trends in poverty among elderly people living alone -- using a microsimulation model developed by ICF, Inc. The ICF estimates take into account changes in female labor force participation and the growth in retirement benefits under Social Security and private pension programs including improvements in pension coverage that will result from recent legislative changes.

Between 1987 and 2020 the number of elderly people living alone will increase from 8.8 million to 13.5 million. Given the expected growth in the economy, improved work histories, and pension law changes, it might be expected that poverty among the elderly living alone would be markedly reduced. Yet, ICF estimates indicate that poverty among elderly people living alone will not decline by the year 2000 -- but rather continue to average about 19 percent. By the year 2020 poverty among this group will drop only slightly to 15 percent. In absolute numbers, the number of poor elderly living alone will increase from 1.7 million in 1987 to 2 million in 2020. Poverty among elderly people living alone age 75 and over will rise from 22 percent today to 25 percent at the turn of the century and then level off. Poverty rates for elderly couples and for elderly men will fall markedly -- further widening the disparities in economic security among subgroups of the elderly.

The total poverty gap for all elderly will increase from $3.0 billion in 1987 to $3.3 billion at the turn of the century and $3.5 billion by 2020. The total poverty gap for the elderly living alone will increase from $1.8 billion today to $2.6 billion in 2020, a 44 percent rise. As a percent of the Gross National Product (GNP), however, the elderly poverty gap will drop from 0.062 percent of the $4.5 trillion GNP in 1987 to 0.049 percent of the GNP in 2020.

A key question is why the poverty rates among the elderly living alone remains largely unchanged through the turn of the century. The most important reason is a demographic one. Due to declining mortality rates and a shift in the age structure of the population, the average age of the elderly living alone will increase from 1987 to 2005. Because persons age 85 and over are the poorest of the elderly, it is not surprising that the poverty rate for the elderly living alone does not decline during the next 15 years. As the aging population depletes their assets and

the buying power of any pensions is eroded, the proportion of elderly living alone who are poor will tend to remain high.

Poor Elderly and the SSI Program

The SSI program, through cash-assistance and by conferring eligibility for other public programs, provides some assistance to the 1.5 million aged Americans currently participating. Despite the existence of this important program, many elderly persons struggle to live under substantial economic difficulty. There are three basic reasons why the SSI program does not eliminate poverty among elderly persons: the SSI eligibility level is set below the poverty level, the SSI program has a stringent assets tests for eligibility, and not all those eligible for SSI participate in the program.

For many elderly poor who are eligible and do receive SSI benefits, the amount of the benefits does not supplement income adequately to raise them to the poverty threshold. A disturbing inequity exists in the benefits paid to individuals as opposed to couples. While the maximum Federal benefit for elderly individuals is 76 percent of the poverty threshold, the maximum Federal benefit for elderly couples represents 90 percent of the poverty line.

State supplementation raises the SSI benefit level to the poverty line for a single individual in only a few states. In 31 states, a single elderly individual would receive a total income from the federal benefit plus any state supplement of between 75 and 79 percent of poverty. Another 15 states provide supplementary payments that yield total benefits in the range of 80 to 92 percent of the poverty level. Only five states -- Alaska, California, Connecticut, Massachusetts, and Wisconsin -- supplement federal payments to a level near or exceeding (98 to 136 percent) the poverty level.

Not all elderly poor, however, receive SSI. Our estimates suggest that fewer than one-third of the poor elderly living alone receive any SSI income. SSI accounts for about 14 percent of the income of the elderly poor living alone. The elderly poor living alone derive 79 percent of their income from Social Security and a small remainder coming from pensions, asset income, employment earnings, and other sources. The stringent asset test for SSI eligibility sharply restricts eligibility for SSI.

Another troubling concern, however, is that it appears that only about half of persons eligible for SSI actually participate in the program. The Commonwealth Fund Commission on Elderly People Living Alone commissioned a survey of elderly people by Louis Harris and Associates to find out more about the concerns of elderly people. For those who appeared to be eligible for SSI but not participating, we asked why they did not participate. Among 80 people in the sample who had incomes under 75 percent of the federal poverty line and less than $2,000 in savings and not participating in SSI, response to the question "You might be eligible for SSI, why have you not enrolled?" was as follows:

Never heard of it	24%
Believed I was not eligible	21
Don't need it	14
Not willing to accept welfare	6
Benefits too low to bother with	4
Dont' want to deal with government	3
All other reasons	16
Not sure why not enrolled	12
	100%

Previous efforts to increase SSI participation among those eligible have been only partially successful. Further direct experimentation is needed with methods to increase participation. The Commission is launching a private sector program to demonstrate effective approaches to increasing SSI participation.

Improving SSI

For many of the elderly in the population, SSI is not fulfilling its potential as an income security program. Clearly, income needs of poor elderly persons could be met to a greater degree if SSI benefits were higher. Because the SSI program is directed to those elderly most in need, it is possible to assist the poorest elderly almost immediately. By increasing Federal SSI benefits for individuals to the same fraction of the poverty line as received by a two-person eligible family (i.e., 90 percent of the poverty line), the poverty rate for elderly people living alone would drop immediately from 19 percent to 14 percent and 26 percent of the poverty gap of the elderly living alone would be eliminated.

Setting the SSI benefit at the poverty line would eliminate about 29 percent of the poverty gap of the elderly living alone, and would markedly reduce the poverty rate among elderly living alone from 19 percent to 12 percent. About 600,000 persons living alone who would otherwise be poor, would not. Of these, about 400,000 are widows.

The estimated cost of raising the SSI benefit level to the full poverty line is $4 billion, of which $2.3 billion or 58 percent, would go to the elderly. The remainder would assist the disabled. Nearly all (97 percent) of the funds for the elderly would assist the poor or near poor elderly.

Raising the SSI benefit level would also markedly reduce poverty in future years. By 2020 the poverty rate among elderly people living alone would be 10 percent -- half the rate it is today -- if the SSI benefit level were raised to 100 percent of the poverty level. Research conducted for the Commission indicates that private sector solutions, such as improving pension policy or employment opportunities, have a limited and long-range impact on reducing poverty among elderly people, but no immediate remedial effect.

An 85 year old widow in poor health, does not have any possibility of earnings; income support through the SSI program is the only option available. This improvement in the economic security of one of the most vulnerable groups of our population could be achieved by devoting a declining share of the nation's economic resources. It is well within our means to do so and should receive high priority consideration. Thank you.

Mr. KENNEDY. Thank you very much, Dr. Davis.

And now we will hear from our next witness, Mr. John Stallworth.

STATEMENT OF JOHN STALLWORTH, NATIONAL SECRETARY, AMERICAN ASSOCIATION OF RETIRED PERSONS

Mr. STALLWORTH. Chairman Kennedy, thank you, sir. I live in Osterville which you may know is 5 miles west of Hyannisport. Mr. Frank, I have followed your career for the last few years and I have concluded that you are not a man to bite your tongue.

I have submitted my testimony through the proper channels and it is loaded with statistics and other data. So, I will instead read a copy of my private thoughts that I want to make public at this opportunity.

The donkey is a slow, patient, sure-footed animal. As a colt it was frisky and high-spirited. He was trained from his earliest memory to obey his master's wish that he stay in place. The strap on his bridle is secured to a tree or a fence and after many tries of removing the leather he finally gives up and keeps still. He stops thinking about freedom and galloping. Eventually, just wrapping the reins around a post without tying it will find him offering no resistence. The slightest pull will remind him of the futility of challenge.

The elephant has a similar early experience in training and indoctrination. These gargantuan animals, capable of lifting and carrying huge loads have been subjected to chains about their ankles that are attached to spikes driven into the ground. They do not know that they can easily pull up the stake and probably a quarter ton of earth as well. The little tug on the ankle tells them it is useless to struggle.

Now, is it not a strange coincidence that the symbols of our two major political parties are the donkey and the elephant. Gentlemen, does that not grab your attention?

Mr. KENNEDY. It certainly does.

Mr. STALLWORTH. Two massive creatures kept in submission by the merest of forces afraid to flex their muscles and do the acts that they are capable of performing because they are trained to conform to a will that is diametrically opposed to them and to their sense of fair play.

If every representative utilized an outlet directly to the people to give and to receive information, such as this hearing, all of us would be better off. The reinforcement of the opinions of people may be just the incentive to cause them to do what they always knew was the right thing.

We believe office holders must listen and be responsive to their constituents. Also, that the voters must communicate their concerns to their representatives.

Collective problems lead to collective solutions, that is called politics. That is how we determine blame, resolve dilemma and correct misuse.

For instance, we have laws that allow marriage at the age of 14, but the groom cannot drive himself to the wedding until he is 16.

Unless our lawmakers use their elective strength to rectify ridiculous situations the people will have to live with them forever.

Everyone who comes before a body to speak wants something, and I am no different. I too want something, but before I tell you what it is I hope this never happens to you; it is a real kick in the stomach, if you ever have to get the cremated ashes of a friend or a relative transferred from one town to another, the mortician sending the package will stamp, with a big stamp, on the outside of the container, "Human Remains No Commercial Value."

This fact certainly reminds us that we should treat the living like they are alive, while they are. Now, as to what this speaker wants, I want a reinvestment made in the older citizen to raise his commercial value long before it becomes a lump that is considered worthless. I am 75 years of age, so I do not evade strong words or gruesome pictures. I have had two careers and this is almost a third. I do not have to do a favor anymore, but I do care about hard working, law abiding citizens that because of age are having a hard time trying to live in dignity.

I want my government, and my business leaders to pay back some of the devotion and loyalty they enjoyed while we were becoming a great Nation. The tired, the aged, and the proud people worked for it and they deserve its benefits now.

I cannot resist the opportunity to join the other speakers in a critique of the SSI Program. AARP, first, would like to see some major changes. While the SSI Program represents a good basic model of public assistance, it has major shortcomings. One of the shortcomings is that maximum benefits remain below the poverty line, and the gap is greater for individuals than it is for couples.

The second shortcoming of SSI is the inadequacy of most State supplements. As you have before you, Alaska, California, Connecticut, and Massachusetts are the only States that provide supplements to all the persons, which, when added to the Federal benefits, results in incomes that stagger slowly above the poverty line.

Third, the requirements for a couple have resulted in almost a quarter million persons not qualifying for SSI. These limits are much too low.

Finally, participation rates have been consistently low throughout the program's history, as one of the other speakers have pointed out, because people do not know about it: 24 percent of the people never heard of the program, 21 percent thought that they were ineligible, 14 percent believed they did not need it, and 12 percent were not sure why they had not enrolled, 6 percent considered it a form of welfare and were too proud to apply.

The writer Samuel Johnson said, "A man can be so much of everything that he becomes nothing of anything." I do not want my representatives to fit that description. I want them to be a group to which I go to get a positive concentrated program to retire the retired.

Gentlemen, I hope I have your attention. I maintain—well, the measure commonly used in reference to officials is this, when a diplomat says, yes, he means perhaps. When he says, perhaps, he means no. And when he says, no, he is no diplomat. Congress has the reputation of being able to say no in more ways than an unpaid hooker.

I sincerely hope this committee will choose to be diplomats, and will carefully consider this plea for a reinvestment in the older citizen, and be as magnanimous in its effort to help as it has been gracious in listening to my testimony. Thank you.

[The prepared statement of John Stallworth follows:]

PREPARED STATEMENT OF JOHN STALLWORTH, NATIONAL SECRETARY, THE

AMERICAN ASSOCIATION OF RETIRED PERSONS

The American Association of Retired Persons (AARP), representing the interests of more than 25 million members, is pleased to testify on the elimination of poverty among older Americans. AARP commends the House Committee on Aging for conducting this hearing, particularly during a time when the problems of the poor are the focus of policymakers' attention. AARP is concerned that the misperception exists that poverty among the elderly has already been eliminated. The Association believes, however, if specific policy proposals are implemented, steady progress can be made toward achieving that goal.

I. Welfare Reform Debate and the Elderly

Since President Reagan called for urgent action on welfare reform in early 1986, there have been numerous proposals from Congress, the Administration, and private sector organizations on how to overhaul the welfare system with a view toward eliminating poverty. Over twelve bills have been introduced, all of which focus, to some extent, on how to help needy children without weakening family responsibility and work effort.

It is not hard to see why the welfare reform debate has focused on needy children and families. After twenty-two years of a "war on poverty", 33 million Americans, the same number as in 1965, are still poor. Despite numerous federal assistance programs and substantial increases in public expenditures to fight poverty, the poverty rate - especially among children and female heads of household, has increased substantially. Today, nearly one in five children is poor.

Economic trends have contributed significantly to the concern about families in poverty. The recession, a static minimum wage and the growth of lower-wage-sector jobs have contributed to the growth in numbers of the poor. And if current economic trends continue, a significant segment of the middle class is likely to slip into the ranks of the impoverished. Since the early 1980's, policymakers have been operating on the premise that it is better to cut or eliminate federal assistance programs and address social service needs through economic growth. These policies have given rise to a different type of poor and an increased visibility of the poor. Rather than depending exclusively on economic growth policies to reverse the tide, AARP feels we must also investigate some economic redistribution solutions.

The Association is pleased that the issue of welfare reform has generated some very thoughtful, well-intentioned legislative proposals for needy children and families. We are concerned, however, that the welfare reform debate has implicitly perpetuated the myth that poverty among the elderly has been eliminated. This has occurred by focusing on proposals which either isolate Aid for Families with Dependent Children (AFDC) as the centerpiece for welfare policy, or would provide such broad power to states that they could be used to weaken or dismantle federal standards in programs crucial to many low income older persons.

Contrary to popular opinion, we have not won the "war on poverty and the elderly". We have made some progress in improving the economic well-being of many older persons, primarily due to increased social security benefits and the launching of Medicare and the Supplemental Security Income (SSI) program. Unfortunately, the progress we have attained has obscured the fact that a substantial number of the elderly remain poor and that many require family and government support to survive.

Of the 27.4 million people who were 65 years of age and over in 1985, 3.5 million - or 12.6 percent - had incomes below the federal poverty line. The official poverty line for an elderly individual in 1985 was $5,156, and $6,503 for an elderly couple. The number of older persons who are poor increased by 126,000 from 1984 to 1985. This was the only adult age group to experience such an increase.

Poverty is more widespread among certain segments of the older population - minorities, women and those 85 years of age and

older. Older blacks are three times as likely as older whites to be poor; Hispanics are twice as likely. Widowhood is one of the causes of poverty among older women. Widows constitute 58.7 percent of the total elderly population, but 72.4 percent of the elderly poor. However, poverty has its most devastating impact on those 85 years or older. This group has about the same poverty rate as children under 18.

Older persons are also over-represented among those that are "persistently poor". While only 12 percent of the elderly are poor, about one-third of these poor older persons remain in poverty over a long period of time.

Once elderly persons become impoverished, they are much more likely to remain in poverty. This is in sharp contrast to younger age groups, who experience transitions in and out of poverty, primarily as a result of job losses and job gains.

The welfare reform debate is providing some fresh opportunities to change the emphasis and structure of social welfare programs, particularly employment programs. Work is not just viewed as a way to cut costs, but has been incorporated into some proposals because of the personal dignity, self-confidence and psychological benefits it conveys. A decent job at a decent wage would provide the opportunity for many persons to join the nation's mainstream. For most older persons, that is not an option. Only about one out of every seven of the elderly is employed, commonly in low-wage, part-time work.

As Congress deliberates legislation incorporating proposals concerning work, family, education and state initiatives, the impact of those proposals on the elderly poor should be considered. Further, the benefits of new initiatives should be broadly shared and coupled with the enforcement of age antidiscrimination laws. If this is accomplished, economic opportunity and self-sufficiency will be attainable for all age groups.

II. Policy Proposals for Eliminating Poverty

The SSI Program

First, AARP would like to see some major changes in the SSI Program. While the SSI program represents a good basic model of public assistance, it has major shortcomings. One of the shortcomings is that maximum benefits remain below the poverty line and the gap is greater for individuals than for couples. In 1986, SSI benefits were 75.5 percent of the federal poverty line for elderly individuals and 89.7 percent of this line for elderly couples. When SSI benefits, Social Security and food stamps are combined, benefits are still only 84 percent of the poverty line for individuals. For couples, this combination is barely equal to the poverty threshold.

Currently, those 65 and over comprise almost half the SSI population. Of the total 4.1 million SSI beneficiaries, 1.5 million are eligible on the basis of age, and over 500,000 of those eligible on the basis of blindness or disability are also 65 and over. There are several particularly striking pockets of poverty in this elderly SSI population: of those who receive SSI benefits due to age, 19.5 percent (almost 600,000) are 80 years and older, 75 percent are women, and 21 percent are black. This last number is especially striking because only 8 percent of the 65 and over population is black.

A second shortcoming of the SSI program is the inadequacy of most state supplements. Congress federalized the SSI program in 1972 legislation and when changes were implemented in 1974, SSI had a national floor of benefits with state supplementation permitted. Only 26 states (and the District of Columbia) provide supplements. And only four states (Alaska, California, Connecticut and Massachusetts) provide supplements to older persons which, when added to the federal benefit, result in incomes above the poverty line.

Third, the asset limits of not more than $1,800 for an individual and $2,700 for a couple have resulted in almost a quarter million persons not qualifying for SSI because they have too many resources. SSI was originally designed to permit people to keep a financial base, "to help them maintain their dignity, [and] to encourage those who are able to work to do so...". The asset limits were not intended to force a person into poverty. Yet, past inflation and a total increase in asset limits of only $300 since 1972, have eroded the value of the asset limits. As a result, numerous elderly poor cannot qualify for SSI. AARP

strongly supports meaningfully raising asset limits for SSI beneficiaries to reflect growth in the economy.

Finally, participation rates have been consistently low throughout the program's history. Only 50 percent of the aged and 55 percent of the disabled who are eligible for benefits actually participate in the program.

Studies of nonparticipants suggest that a number of factors affect enrollment. The most recent data come from a question to nonparticipants included in a 1986 Lou Harris and Associates survey of the elderly living alone. The results show the following:

-- 24 percent of the people never heard of the program;
-- 21 percent thought they were ineligible;
-- 14 percent believed they did not need it;
-- 12 percent were not sure why they had not enrolled;
-- 6 percent did not want to accept welfare;
-- 4 percent thought the benefits were too low to bother;
-- the other 16 percent had reasons too distinctive to group.

A state-by-state analysis of participation rates shows that states with the most generous benefits have a greater percentage of participants. State supplements not only qualify more people by raising the cutoff, but they also make the difficulties of filing more bearable. The SSI filing process is complicated, and causes anxiety for people who are reluctant to go on welfare or who are fearful of the unknown.

Unless outreach efforts are upgraded, large numbers of vulnerable persons will continue to live in unnecessary poverty. Moreover, because of the interrelatedness of many programs for low income persons, nonparticipants will also be excluded from other programs such as food stamps, Medicaid and social services.

SSI has undertaken a series of outreach programs designed to inform potential beneficiaries about SSI's existence. The agency's informational campaign has relied heavily on the written word, with limited person to person contact. From time to time, SSI has also enlisted the aid of voluntary groups and other federal, state and local agencies. While these programs have boosted enrollment for the short term, none have resulted in a significant long term increase.

AARP is launching an initiative through a grant from the Commonwealth Fund to increase SSI enrollment. It will conduct a one-year demonstration project in three cities to test the effectiveness of different methods of outreach. In at least one of these projects, voluntary organizations and governmental agencies will collaborate.

One project will train and use volunteers; another will train already employed outreach workers; and the third will seek extensive media exposure. Additionally, one location will emphasize the link between SSI and Medicaid. These projects should yield valuable information about the most promising SSI outreach strategies.

Further, the Association is strongly supporting a national outreach demonstration under the Older Americans Act that would emphasize SSI, food stamps, and Medicaid. Differing approaches to outreach appear in the House and Senate versions of OAA reauthorization legislation. AARP continues to urge that this outreach demonstration be evaluated and replicated as an ongoing program throughout the country.

AARP also supports legislation to increase the federal SSI benefit standard to the poverty line. This would translate to individual benefits of approximately $450 a month and couples' benefits of approximately $570 a month. While budget constraints may preclude passage of such legislation this year, we encourage Congress to consider this option as a cornerstone for alleviating poverty among the elderly or, at the very least, mending a major hole in the safety net.

Proposed Changes in Other Benefits Programs

AARP supports other measures which already have been proposed or enacted in other public benefits programs.

Last year, Congress enacted P.L. 99-198, legislation which gives automatic or categorical eligibility for food stamps to all SSI

or AFDC households. Prior to 1986, the Food Stamp Program required a separate application process to determine eligibility. AARP questions how effectively this provision is being implemented and encourages Congress to examine whether Social Security and Food Stamp offices are providing the assistance that was intended.

AARP also supports the Medicare "catastrophic care" bill, and feels that the provision which would require state Medicaid programs to pay all Medicare premiums, coinsurance and deductibles for aged and disabled welfare clients living below the poverty line, will extend valuable assistance to the elderly poor.

We are also pleased that Congress is moving to reauthorize and strengthen the Older Americans Act. AARP has testified at several congressional hearings regarding the need to strengthen the advocacy function of the aging network, to expand in-home services such as homemaker and chore assistance, and to require that states and area agencies on aging strengthen their commitment to serving low income minority persons.

Conclusion

We cannot allow the progress of the recent past to lull us into believing that as a group, older Americans are free of problems. The Association urges Congress, while assessing the various welfare reform legislative proposals, to also consider proposals to end poverty among the elderly.

Again, Mr. Chairman, thank you for providing us with an opportunity to address these issues. We look forward to working with you in developing viable solutions to the problems of poverty that face the nation generally and older persons in particular.

EXECUTIVE SUMMARY

Contrary to popular opinion, we have not won the "war on poverty among the elderly." We have made some progress in improving the economic well-being of many older persons, primarily due to increased Social Security benefits, and the launching of Medicare and the Supplemental Security Income (SSI) program. The progress we have made, however, has obscured the fact that a substantial number of the elderly remain poor and the numbers are increasing. This is especially true for older blacks who are three times as likely as older whites to be poor.

To finally alleviate poverty among the elderly, the American Association of Retired Persons (AARP) recommends:

- The inclusion of employment, training and education opportunities to older persons in welfare reform legislation; and the elimination of any proposals which would dismantle federal programs of significance to the elderly poor.
- Amending the Supplemental Security Income Program by raising the asset limits to reflect inflation, and by increasing the federal benefit standard to the poverty line ($104/week for a single person).
- Passage of the Older Americans Act with a strengthened advocacy function and required outreach to low-income minority persons.

Mr. KENNEDY. Your testimony certainly caught our attention.

Now we would like to hear from our next witness, Mr. Edward Cooper. Mr. Cooper.

STATEMENT OF EDWARD L. COOPER, BOARD MEMBER, THE NATIONAL CAUCUS AND CENTER ON BLACK AGED, INC.

Mr. COOPER. Mr. Chairman, Congressman Frank, I appreciate this opportunity to testify at this hearing on, "Abolishing Poverty for Older Americans." The National Caucus and Center on Black Aged, here and after referred to as NCBA, commends you for holding this timely and appropriate hearing because inadequate income in retirement is, by far and away, the number one problem for older blacks today.

NCBA has known for sometime that older blacks are the poorest of the poor among the elderly. Many people also know in a general way that the quality of life for older blacks is significantly lower than for other groups in our society. But, they are often surprised, and sometimes shocked, by the degree of deprivation among aged blacks.

Unfortunately, the American public seemed inclined to adopt an ostrich mentality when the plight of the black elderly is mentioned. The problems now facing older blacks, though, will not miraculously vanish by a head-in-the-sand approach.

This is one of the key reasons why NCBA worked last year with the House Select Committee on Aging and the Congressional Black Caucus to conduct a major study, the first of its kind in terms of comprehensiveness and depth, concerning the status of elderly blacks in the United States.

NCBA also initiated this project because there is a general perception in some quarters that poverty is no longer a serious problem for older Americans. Another commonly held myth, members of the committee, is that the elderly live better than the rest of the population. A classic example of that mythology is a Forbes magazine article on "The Old Folks." And I quote from the article, "The myth is that they're sunk in poverty. The reality is they're living well. The trouble is, there are too many of them, God bless them." This is rubbish, and we all know it.

The harsh reality is that older Americans have the highest poverty rate among adults. Only young people and children, both those individuals 21 years and younger, have a higher poverty rate than persons 65 years or older.

Older blacks are at the bottom rung of the aging economic ladder because they have the highest poverty rate among the elderly. No other major aged, racial, or ethnic group has a higher poverty rate than elderly blacks, not elderly Indians, not older Hispanics, not aged Pacific/Asians, and not any other major group.

NCBA has made the elimination of poverty for older Americans its number one goal. We have worked closely with the Villers Advocacy Associates to develop a proposal to remove this economic cancer in a fiscally responsible manner. I shall have more to say about this later and I hope that you will indulge with me, Mr. Chairman and committee.

Before doing this, though, I would like to summarize briefly some of the key findings from the six NCBA sponsored issue forums and three House Select Committee on Aging Hearings, which provided the factual basis for NCBA's recent report on the status of aged blacks in the United States. Ladies and gentlemen, I believe there are sufficient copies of that report for each one of you if you desire to have a copy to take home with you.

Is that right, Mr. Chairman?

Mr. KENNEDY. Yes, sir.

Mr. COOPER. Eleven members from the Congressional Black Caucus and several members from the House Select Committee on Aging participated in the nine forums and hearings in eight major cities throughout the United States. More than 100 witnesses were involved, senior citizens, directors of service programs, gerontologists and others testified at these hearings.

The major issue that cropped up at every one of these forums or hearings, whether the subject was income, health, housing or any other subject, is that a retirement income crisis already affects too many aged blacks and threatens to engulf others. The harsh reality is that older blacks are treading water in a swirling economic rapids that threatens to drown them.

Witnesses repeatedly emphasized that at these hearings, that adequate income is one of the root causes for nearly every problem confronting aged blacks, whether it is poor health, an inappropriate diet, dilapidated housing or others. Congressman George Crockett may have summed it up best at the Harlem forum when he said, and I quote, "In short, nearly every aspect of older blacks' lives is different from the average situation of older whites, because older blacks do not have as much money."

Today, and I want to emphasize this to the committee and the audience, older blacks are three times as likely to be poor as elderly whites. In 1985, the latest date that census information was available, 31.5 percent of all blacks 65 years or older lived in poverty, compared to 11 percent for older whites. Overall, 717,000 elderly blacks were poor, not in 1935 but 1985.

For an aged individual, and listen to this members of the committee, this means living on just $99 a week to pay for housing, food, medical care, transportation, clothing and other everyday necessities. An elderly couple must try to make ends meet with $125 or less per week if they are poor.

These figures, depressing as they are, represent only one dimension of a bleak economic picture for older blacks. Many aged blacks have incomes dangerously close to the poverty threshold. In fact, nearly 900,000 are economically vulnerable. Their income falls somewhere between the poverty line and twice that bare bones figure. In dollars and cents, this means about $198 a week for an aged individual and $250 a week for an elderly couple to provide for the necessities of life.

The situation is even worse for elderly black women. Members of the committee, I want to emphasize this point. About seven out of eight, 87.9 percent, of black women, elderly black women, in this country are economically poor or vulnerable. What a pity.

One elderly witness, a former garment worker, at the Harlem hearing held in New York told Congressman Rangel about her im-

possible task of trying to live on just $307 a month in one of the more expensive cities in the world. She said, and I quote, "I live on $307 a month, of which $217 of that goes into rent. Medical care, I don't have any of that. I can't afford that. It is certainly too expensive."

These facts and others in the NCBA report, a copy of which I hope you will take home with you, should sound a clarion call for action on several fronts to develop a national policy to eliminate poverty for older Americans. NCBA sincerely hopes that this issue can be in the 1980's what medicare was in the 1960's. Your uncle, Congressman Kennedy, paved the way with his leadership and enactment of medicare, one of the most historic legislative achievements for older Americans. Maybe you will be able to pick up the torch today to make the case for our Nation to abolish poverty, not for just black older Americans, but for every older American in this country so they they can spend their final years in dignity and self-respect, rather than in fear and frustration.

NCBA's board of directors made a commitment last December to work for the abolition of poverty for all older Americans, whether they are white, black, green or yellow. Our board called upon our local chapters and other national organizations to join NCBA in this national crusade.

I have just been told that we have a time clock. I will finish the testimony that has been provided for this committee. The committee has a copy of the testimony. Mr. Chairman and Congressman Frank, I deeply appreciate this opportunity to have the opportunity to give you most of the testimony that NCBA has for this hearing.

Thank you very much.

[The remainder of Mr. Cooper's prepared statement follows:]

Basically, we support a Villers Advocacy Associates proposal to elevate the Supplemental Security Income maximum payment levels to at least the poverty line. We also back the Villers Advocacy recommendation that this measure must be financed in a way which will not add to the Federal deficit. Ideally, we would like to see the bloated Pentagon's budget cut back to a more reasonable level to finance this proposal. Unfortunately, this objective—even though it is worthy, sound, and desirable—is probably not legislatively feasible in today's political climate. The Villers Advocacy Associates has a number of alternative financing mechanisms—such as recapturing windfall estate tax reductions for some of the most affluent families in our society—which we support.

C. OTHER RECOMMENDATIONS

Other actions are also needed. It is not enough to raise the SSI maximum payment levels above the poverty lines. We must also ensure that persons who are eligible for SSI do, in fact, receive benefits. Massachusetts is a good example because the combined Federal SSI benefit standard and the state supplementation payment exceed the poverty threshold. In fact, Masschusetts is one of four States that assures qualifying aged individuals that they can live above the poverty line.

However, many older persons who are eligible for SSI still do not receive benefits in Massachusetts, and for that matter, other States as well. NCBA supports the provision in the 1987 Older Americans Act Amendments, as approved by the Senate Subcommittee on Aging, to promote greater outreach for potentially eligible SSI recipients.

The SSI countable resource limitation—currently $1,800 for an individual and $2,700 for an eligible couple—needs to be updated to compensate for erosion from inflation. The outdated asset ceiling often prevents poor older persons from receiving SSI because they are considered "asset rich."

NCBA further favors repeal of the existing SSI provision which causes a one-third reduction in the basic benefit standard when an individual lives in the household of

another and receives in-kind maintenance and support. This frequently has the unintended effect of discouraging families from helping their parents or grandparents.

D. CONCLUSION

In conclusion, NCBA commends the House Select Committee on Aging for conducting this hearing. We sincerely hope that this event can be a catalyst for energizing our nation to eliminate poverty for all older Americans.

It may be necessary to do this one step at a time because of cost considerations. But, this should not deter us from pursuing this worthy goal.

NCBA also urges the committee to support other recommendations in our recent report. We believe that these measures, too, are sound, sensible, and legislatively feasible.

Thank you again for this opportunity to testify. I shall be glad to respond to any questions that you may have.

Mr. FRANK. Mr. Cooper, let me just say to you and to the witnesses that may follow, the testimony will be printed and we are serious about that. Everything submitted will be printed in the hearings and those are generally given more circulation. So, nothing has been wasted.

What the panel have all said together, I think, has had a very important impact. I am going to waive any questions that I may have because we do want to give full opportunity to the other witnesses. I appreciate the care that has gone into this and I want to particularly commend the National Center for that important report. I think that is a very significant contribution to our knowledge about this country at this time.

Mr. KENNEDY. I could not agree more with what Mr. Frank has indicated. I hope that all the witnesses understand that we are trying to move along three different panels this morning. We have now cut into the other panel's time very significantly.

So, what I would like to do is to be able to come back and follow-up on some of the issues that you have raised, particularly Mr. Pollack and his notion of the asset eligibility standards being cut in half and the impact that that has, and the fact that the Villers Foundation was willing to go out on the limb and actually come up with specific ways that some of these problems can be alleviated looking at the dollar straight in the face and putting the problems before the American people.

It seems to me at some point we as individuals have to face up to the problems we face as a country and the only way we can do that is to know what the dollars and cents are.

So, I thank you all for the public service that you have provided. I want to let you know that we will take your testimony seriously and will follow up with you individually. Thank you all very, very much.

Mr. FRANK. Let me make just one other promise. When we get these hearings done with all of the testimony we are going to send a copy to the White House, to the President. We do not want him to have deniability if anybody asks him about poverty in the United States.

Mr. KENNEDY. We will now hear from the witnesses on the second panel. They are Ms. Katherine Villers from the Villers Foundation; the unbelievable, incomparable Elsie Frank from the Massachusetts Association of Older Amercians; Ms. Ruth Moy, Greater Boston Chinese Golden Age Center; and Ms. Marianne Duddy, Ex-

ecutive Director, Living is for the Elderly of the Life Organization. Thank you all very much for coming.

First, we would like to hear from Ms. Katherine Villers. Please proceed with your testimony, Ms. Villers.

STATEMENT OF KATHERINE S. VILLERS, THE VILLERS FOUNDATION

Ms. VILLERS. I am delighted to be here with members and staff of the House Select Committee on Aging, National Caucus and Center on the Black Aged, and with colleagues from Massachusetts and around the country. I would like to thank both Congressman Kennedy and Congressman Frank for their commitments to the aging in this country and for conducting this field hearing in Massachusetts.

The Select Committee's present inquiry into poverty and its relationship to minority communities is absolutely urgent. There are countervailing economic trends at work among the wider population of our country. On the one hand, there is an increased level of affluence among a portion of today's older population. On the other hand, there are stubborn pockets of poverty among the elderly. Many elderly people become impoverished in old age as a result of diminished income and inflation in the costs of essential services such as housing and health care. Others experience poverty after a lifetime of living on the economic margins.

With only the tools of present policies and programs, the people in these pockets of poverty seem unreachable and their poverty irreducible. In fact, the overall level of poverty among elders is higher than in any other adult group in the United States and its incidence may be on the upswing in the 1980's.

The hope of those who worked to establish the Supplemental Security Income [SSI] program in 1973 was that it would establish a minimum floor for a decent income for all poor elders across the country, and that in many States additional appropriations would raise the incomes of beneficiaries above the poverty threshold. By the mid-1980's it has become apparent that SSI has not accomplished these goals. Approximately 50 percent of those estimated as being eligible for income assistance under present SSI program guidelines are unenrolled. Only 32 percent of elderly poor households are enrolled. Furthermore, States' contributions to the SSI program and beneficiaries have steadily declined since the program's inception.

Massachusetts is at present 1 of only 4 States in which a combination of Federal benefits and a State supplement brings the incomes of beneficiaries above the Federal poverty line. Therefore, receipt of SSI benefits in the other 46 States assures beneficiaries that their incomes will remain well below the poverty line. By the early 1990's the income of Massachusetts beneficiaries will also drop below the poverty line if current trends continue.

SSI is therefore an example of a Federal program which must be restructured in order to truly serve the needs of the poor elderly and further reduce the rate of poverty among elderly Americans.

The restructuring which must take place is of two types. First, liberalization of eligibility criteria such as assets and income limits

would expand the pool of those eligible to include most poor elderly, and raising the Federal benefit level to the poverty threshold or above would deal realistically with the historical shortcomings of State-based efforts to provide decent minimum incomes to the poor of any age, whether children or the elderly. These are examples of important structural reforms which must be accomplished before SSI can become a truly effective tool in eliminating poverty among elderly Americans.

Policy makers and the public also need to remedy the serious access problems which currently plague SSI. Such measures as expanding the pool of eligibles and increasing benefits will not in themselves guarantee access to these benefits nor lead to higher rates of enrollment. This is true in Massachusetts, for example, where in spite of benefit levels which have exceeded the poverty line for the whole life of the program, the general rate of enrollment is no higher than the national average of 50 percent.

Formidable barriers to program access presently exclude many of those who need SSI benefits the most. These barriers include a lack of general public awareness, lack of knowledge about the specifics of SSI criteria among potential beneficiaries and their advocates, as well as a complex and daunting application process which dissuades many from pursuit of benefits.

Recent research conducted by staff of the Villers Foundation indicates that in several district offices in Massachusetts, for example, the Social Security Administration is currently unable to ensure equitable access to benefits by many members of racial, ethnic and linguistic minority communities. Intermittent outreach programs have been ineffective in reaching any significant number among the estimated 50 percent of the eligible but unenrolled.

Implementation of large scale public education and outreach programs tailored to address SSI access barriers faced by the elder public at large and by specific subgroups in the elder population is essential in addition to structural reform of the benefits and eligibility structure.

REVIEW OF STATISTICAL DATA REGARDING TRENDS IN PARTICIPATION AND STATE SUPPORT OF THE SSI PROGRAM IN MASSACHUSETTS

The Massachusetts office of the foundation recently collected and analyzed demographic and SSI participation data to obtain a picture of SSI enrollment relative to the incidence of poverty among Massachusetts elders, and to define trends in State support of the SSI program. Since Massachusetts is a State in which combined Federal and State benefit levels exceed the poverty standard, the experience in Massachusetts can be viewed as an indicator of whether higher income eligibility and benefit levels, if implemented as part of a Federal reform effort, would produce by higher enrollment rates nationwide.

A review of the available data shows that the rate of SSI enrollment among Massachusetts elders is no higher than the national average. Among lower income and minority subgroups enrollments are particularly low. State records for the month of April, 1986, record, for example, only 364 elderly people of Hispanic origin, 208

of Asian, 2,211 black and 20 American Indian beneficiaries enrolled in SSI statewide.

It was also found that the number of persons over 65 enrolled in SSI has declined in Massachusetts steadily since the program began. In 1975 80,983 elders were enrolled; by 1986 enrollment was only 56,785. Moreover, in 1979, when 77,952 elderly people were enrolled, another 65,246 below the poverty line remained unenrolled.

Our review of the record also produced a picture of steadily failing state commitment over the history of the SSI program in Massachusetts. For example, the Massachusetts state appropriation for SSI declined in 1974 from $135,082,000 to $109,788,000 in 1986. The state maximum benefit in 1974 for an aged individual was $122.96, rose to a high of $137.22 in 1980–1982, but dropped to $128.82 in 1983, where it has remained through the present. In 1974 the combined total of the Federal benefit and state supplement brought beneficiaries to 125% of poverty; by 1985, the combined benefit reached only 106% of poverty. Although the Federal benefit is indexed to inflation, the state benefit is not. A continuation of the present state policy of non-indexation will lead in the early 1990's to Massachusetts SSI program beneficiaries slipping below the poverty line and a concomitant jump in the poverty rate among the state's elderly.

The record indicates that SSI is inaccessible in Massachusetts as well as other less generous states for approximately half of those for whom it was intended. Without special outreach methods and new methods of administration SSI inaccessibiity will remain a problem.

SURVEY OF COMMUNITY-BASED ORGANIZATIONS SERVING MINORITY ELDERS IN THE CITY OF BOSTON

To determine what experiences confront minority elders in applying for SSI benefis and therefore why their enrollment was particularly low, the Foundation conducted a survey of staff of 18 community-based organizations serving poor elderly people within minority neighborhoods in the City of Boston. The staff in these organizations identified a remarkably consistent set of barriers encountered by elderly clients applying for benefits. I will summarize them quickly into three categories: First, barriers attributable to deficiencies in policies and practices of the Social Security Administration, both on the national and district office level; Second, barriers attributable to special characteristics of those in aging populations underserved by the program; and third, limitations in the ability of community-based organizations to provide effective advocacy for poor clients or to compensate for the lack of outreach by the SSA.

Identification of problems attribute to deficiencies in SSA policies and practices included:

a. Lack of general public awareness of the SSI program.

b. Lack of specific outreach measures directed to non-English speaking or other groups classically underenrolled in SSI.

c. Obstacles to communication with SSA employees, attributed to their lack of accommodation to differences of language, failure to adopt procedures that take into account the high incidence of func-

tional illiteracy among many applicants, and the inutility of rapidly spoken taped messages for telephone answering.

d. Complications in the application process including half-day waits in the Social Security district offices; experience of intimidating and intrusive questioning; necessity of dealing with inexperienced and inadequately trained staff; and lack of coordination with social service staff of community-based organizations. For example, SSA employees do not provide sample applications to personnel in outside agencies; deliver regular training for staff in community-based organizations; nor meet the demand for outplacement of staff community locations.

Community-based agencies were limited in their abilities to provide needed advocacy for clients because of understaffing, rapid staff turnover, lack of capacity to provide training in entitlement qualifying procedures and advocacy techniques, and/or the inability to provide "logistical" assistance such as transportation for frail or fearful clients.

I urge you to read the narrative description of the findings of this study, which was researched and written by Donna E. Jerry and is appended to this statement. An understanding of the barriers to SSI program access, as experienced by the public and by community-based organizations and their elderly clients is absolutely critical in determining what policies should be adopted to eliminate present barriers to enrollment and dramatically increase access to SSI benefits among those eligible.

EXPERIENCE AS A FUNDER IN FALL RIVER, MA: OUTREACH TO PORTUGUESE SPEAKING ELDERS

To establish a pilot effort effective in enrolling elders in a non-English speaking community with a high rate of poverty but low rate of SSI enrollment, the Foundation provided in 1986 and 1987 two small grants to a community-based organization, the Portuguese Youth Cultural Organization [PYCO] in the City of Fall River, MA. The grants enabled PYCO to expand its community outreach services to Portuguese-speaking elder community in Fall River. The first grant was made through Bristol County Home Care, an Area Agency on Aging which realized that this population group within its geographical area was underserved by existing service programs and that internally it did not have the capacity to undertake needed outreach.

Over a two-year period PYCO combined its previous experience in extending outreach to youth with increasing knowledge of elder persons, gradually increasing the rate of application for SSI benefits from an estimated 25 per year to approximately 200. The success of PYCO's SSI outreach efforts also highlighted the previous low rate or enrollment within this community and led Foundation staff to examine the experience of community-based agencies in the city of Boston in serving a range of other minority elder populations.

IMPLICATIONS FOR DESIGN OF SSI ENROLLMENT OUTREACH CAMPAIGNS

Experience in funding the PYCO outreach project in Fall River and conducting research into barriers to SSI access encountered by

minority and other poor leders in the city of Boston led the Foundation to propose to the city of Boston the launching of an SSI enrollment outreach campaign, targetting increased enrollment among several non-English-speaking minority communities within the city. The outreach and enrollment campaign will be implemented through collaboration with existing neighborhood-based organizations.

The design of this project is based in part on the model developed for the Portuguese-speaking elder population of Fall River and on information obtained from the survey of community-based organizations in Boston. Additional staff resources will be provided to participating community-based agencies to enable them to identify potential SSI beneficiaries on the neighborhood level and within specific minority communities. On-going training will be provided to special and regular staff of the enrollment project within these participating agencies and staff within cooperating service and advocacy networks. Provision of training and technical assistance to these networks, and the free exchange of relevant field experience and data, is intended to greatly increase the capacity of the entire Boston-based social service network to deal effectively with SSI-related issues. Feedback to the district offices of the SSA will also encourage modification of current policies and practices in dealing with SSI applicants, and will encourage the development of SSA-based outreach and training initiatives. An interagency task force on the city level will begin formulation of new city-based strategies to raise public awareness of SSI, provide client advocacy, and enhance the city role in providing access to adequate levels of benefits. A parallel inter-agency task force with similar goals but a state-wide focus will be formed on the state level.

We now believe that SSI outreach programs successful in reaching the hard-to-enroll among immigrant, non-English-speaking and/or minority communities should incorporate the following program elements:

First. The participation of community-based agencies who can develop the capacity to link up with and marshall resources within informal networks such as social clubs, churches, immigrant mutual assistance associations, neighborhood markets, and family associations.

Second. The use of multilingual and multicultural staff employed by or closely identified with trusted community-based organizations. Differences in language and culture can be employed to help legitimize the concept and practice of accessing formal entitlement and service programs among communities unfamiliar with such programs.

Third. The design and use of multilingual media strategies which incorporate an understanding of the audiences to be reached, how they access and process information, and what media and media agents help legitimize the message.

Fourth. Involvement of peers in the community as trained volunteers and advocates.

Fifth. Maintenance of contact with new program beneficiaries to enlist their aid in outreach and to track their experience with the SSI program.

Area Agencies on Aging may develop important roles in crafting SSI enrollment strategies and networks of collaboration among community-based agencies effective in entitlement program outreach. In both Fall River and the city of Boston, the Area Agencies on Aging played such roles. At present, however, aging network agencies appear to have, at best, an uneven record of advocacy and performance in this area.

IMPLICATIONS FOR PUBLIC POLICY DEVELOPMENT

The experimentation by the Massachusetts office of the Villers Foundation with the funding of SSI outreach, and our research into the enrollment experience of particular minority communities within the city of Boston, lead us to conclude that private, nonprofit sector initiatives have a limited but important role to play in improving outreach to specific sub-groups among the elderly historically underenrolled in SSI. However, we also conclude that without renewed Federal commitment and enhanced capacity on the part of the Social Security Administration to conduct outreach and enrollment campaigns, such private sector initiatives will remain isolated and ineffectual in dealing with a problem of large magnitude.

The experience of client advocacy program and SSI beneficiaries themselves document the need for recommitting resources and upgrading the management practices within the SSA. Hopefully, this will resolve current understaffing and inadequacy of technical knowledge, and enable the mounting of on-going SSI outreach and publicity campaigns targetting the elderly participation. Staff within the SSA historically have operated under a management ethic of assisting applicants to gain benefits they have earned and to which they are entitled, in contrast to employees of state-based welfare benefit offices who all too often have operated as agents for policies designed to exclude as many people from participation as possible. This latter mentality has crept into the management of the SSI program. Though difficult to quantify, current management practices of the SSA as well as its current lack of capacity to mount enrollment initiatives, will continue to impede occasional initiatives of the private sector aimed at increasing enrollment.

Within a climate of continual public education, outreach, and training conducted by the SSA, the network of state and local Area Agencies on Aging funded under the Older Americans Act also could play important supplementary roles in implementing SSI outreach to particular populations, in partnership with neighborhood-based organizations.

SSI is a federal entitlement program to create universal access which, if properly financed and structured and imaginatively administered, truly does have the capacity of eliminating extreme poverty among virtually all the elderly of this country.

This will not happen, however, until public policymakers are informed about the full range of problems which cripple the current SSI program and its administration, as well as the full range of potential solutions to these present deficiencies. I hope that my remarks today have shed additional light on issues of SSI access and

the importance of the Federal role in the face of declining state commitments to this program.

Thank you very much for the opportunity to speak to the committee.

Mr. KENNEDY. Thank you very much, Ms. Villers.

As I am sure many of you are aware, we have the honor of the great mayor of the city of Boston, Mayor Ray Flynn, who has been willing to join us here this morning and I do not think is here to trash anybody.

If the Mayor has some opening remarks I am sure that Ms. Frank would be willing to allow him to speak at this time.

Is that all right, Elsie?

Ms. FRANK. Absolutely. He is going to tell us what a great ball player Barney is.

STATEMENT OF HON. RAY FLYNN, MAYOR, CITY OF BOSTON

Mr. FLYNN. Let me thank this committee for coming to the city of Boston. We have here two of the strongest advocates for the needs of elderly citizens in this country, in the persons of Joe Kennedy and Barney Frank. And we are very, very appreciative of their really untiring leadership in Congress. I want to thank them on behalf of the people of the city of Boston. Their commitment is much greater than many of us even know, and all you have to do is really just continually follow the discussions and debates in Washington and you know that. We are very, very fortunate.

There are some comments there that I would like to make for the record. It is really about what the people in Boston are doing, addressing the issue of poverty among the elderly population many of whom are unable to be connected to services, opportunities that are, in fact, there. We are all aware of what has happened out of the White House, a callous disregard for the legitimate social needs of millions of Americans. Look at the area of housing alone, where many of you and the people of this city and the elderly of this country are paying a disporportionate amount of your earnings and your income on housing.

In 1981 in this country we had $33.2 billion for housing subsidies. In 1977 we were producing about 305,000 units of housing in America. Remember those two statistics because you know what it is now, right now it is about $7.1 billion and we will be lucky to expand the level of housing by 24,000 to 25,000 this year. Those are shocking figures.

Who does it effect the most? You have probably already heard it, it effects elderly, it effects minority elderly, and it also effects children in a dramatic way. But that is why we need a policy out of Washington that is going to address those kind of legitimate concerns of millions of elderly Americans.

In Boston, I am proud to say, because of your leadership and the Commission on the Affairs of Elderly there are outreach programs that are going on. Michael Taylor is here to mention some of them,but one of them is called Project Sign Up. It is designed and implemented by the Villers Foundation and the city's Commission on Elderly Affairs. We thank the Villers Foundation. It is intended to increase participation in the SSI Program through an initiative,

an intensive outreach campaign to those elderly residents who are eligible for income assistance, but for various reasons have not been able to take advantage of the SSI Program.

We are particularly concerned with providing increased access to SSI for linguistic and ethnic minorities in Boston's neighborhoods. The outreach program targets Hispanics, Asians, Haitans who have the highest poverty levels in the city, but the lowest rate of participation in the program. So, funds for the program will be continued over the next 18 months which seeks to increase access for newcomers to a wide range of services.

I will conclude by saying that we are very, very proud of this feeling, and Barney would know this feeling because he and I served in the legislature together, but there was a feeling in Boston several years ago of kind of disunity and people who were of minorities wondered whether or not Boston was a very desireable place in which to live. But I am very, very proud to say, with all of you an all of us working together there is a much better feeling. People feel better about this welcome mat we have been rolling out in trying to encourage people in allowing them and making sure that they participate in Boston. That they feel positive about Boston, and as a result of that we have a city that has one of the strongest and growing level of participation and new people coming into our city.

I think Boston percentage wise has the largest increase of Asian Americans coming into Boston in the country, percentage wise. But what does that mean? It means that they have to be connected to the American dream. This kind of program that we have in Boston is the kind of program that that is envisioned for to reach the elderly, poor and needy citizens.

Let me thank the people who make up our Commission On The Affairs Of The Elderly, volunteers from all the neighborhoods of the city under the direction of Commissioner Michael Taylor, and let me thank all of you for your terrific support of what we are doing in Boston in a period of time when there is virtually no direction at all coming from the White House. Let me thank Congressmen Barney Frank and Joe Kennedy for coming here today and giving me and all of you an opportunity to state some of the pressing concerns and priorities that we have.

Thank you very much.

Mr. KENNEDY. Thank you very much, Mayor Flynn.

Now we would like to hear from perhaps the most articulate spokesperson for senior citizens in the State of Massachusetts, a woman who has dedicated her life to seniors, although she certainly does not look like she is one herself, Ms. Elsie Frank.

STATEMENT OF ELSIE FRANK, CHAIR, BOARD OF DIRECTORS, MASSACHUSETTS ASSOCIATION OF OLDER AMERICANS

Ms. FRANK. Rather then be repetitious, I wish to emphasize my agreement with all the previous speakers about SSI and that SSI must be adjusted for the benefit for all who are eligible. So, I will concentrate on my deep feelings about poverty in this country.

On behalf of Massachusetts Association of Older Americans, I am pleased to have this opportunity to bring to your attention the eco-

nomic status of the elderly, because while some older persons have substantial resources, a surprising number have practically none. I call upon you to redress the consequences of lifelong discrimination against women. Women who did not earn adequate salaries and wages during their employment years are penalized in the their old age with small social security checks, nonexistent pensions and minimal savings.

Unfortunately, our society does not lend itself to protecting over half of our population. Inadequate job opportunities and low pay set the stage for a financially depressed older life, compounded by health care obstacles. Older minority group members who have histories of unemployment or who were relegated to low-paying jobs when they were young, now face severe difficulties.

Poverty rates for the black elderly are three times as high as for elderly whites. For older Hispanics, the rate is double. Nearly three out of every five elderly black women who live alone are in poverty. Cutbacks in programs in the past 6 years meant to serve low income persons have special impact on minority members. We must refuse to accept the distorted assumption that many citizens choose to live in poverty or that their cultures lead them to accept circumstances others would find unacceptable. Our country must protect and assist those who live on the edge.

Poverty for women in old age is a progressive matter, the older, the poorer. In San Antonio, Texas, a 91-year old widow who described herself as "desperate," was arrested for stealing $15 in food. Her monthly income is only sufficient for her to pay rent and utilities. She told police she stole the food because she was starving. Not surprisingly, she added that she "wished God would close my eyes. I'm tired of living." Many a widow goes hungry rather than suggest that her dead spouse had not provided adequately for her survival, just as cultural conditioning made the Eskimo elder accept the ice floe solution to aging.

But my concern is not only for elderly women. According to the Wall Street Journal, "Martin Savage, thin and drawn at 71 years old, sits in his tiny kitchen with the cat he calls Kitty and the static of an old radio keeping him company."

He is a little hungry, he says, having had only a cup of coffee all day. He finished the bread last night. What remains in the refrigerator, a stick of garlic sausage and two bags of radishes, will have to do until his next monthly Social Security check of $306 arrives in 2 weeks. It's a little bit of something he said, even if it's nothing.

Mr. Savage's fragile existence is shared by millions of others, whose lives focus on the third of the month, when the Social Security checks arrive." I emphasize, this was not in one of the flashy papers that you see on sale at the supermarkets. This is from the Wall Street Journal.

As reported in the July-August 1987 Issue of AARP News-Bulletin, in Broward County, Florida, many of the 360,000 residents over the age of 60 lack money even for transportation so they can take advantage of services available to them. A common scenario is for a retired couple to use all their savings as one spouse goes through a long illness and eventually dies, leaving the other lonely and isolated and poor, neglecting health problems. And one of the biggest

problems is anemia, mostly caused by poor diets because they cannot afford decent food.

Several experts say that awareness of geriatric malnutrition is increasing rapidly and that hospitals with special geriatric units usually spot and treat the condition. But the elderly patients who are admitted to the hospital with dehydration, infection or mental confusion resulting from consuming inadequate calories because they are too poor to buy food, are still at risk once discharged from the hospital.

In their letter entitled, "Economic Justice for All," the American Roman Catholic Bishops emphasized the plight of the poor and the homeless, the dispossessed and downtrodden portions of our society, many of whom are elderly. They are not being reached, that they are not being helped enough. The Bishops pointed out a moral lack in the American economy. The Bishops state that they are grateful as any other American to live in a system where they are free to criticize, free to argue and debate, as I am grateful to have this opportunity to remind you of the Bishop's letter, and they insist upon focusing on the failure of our economy to solve the problems of a large portion of Americans.

They call attention to the bread lines, a reminder to consciences dulled by complacency; that we must continue to attempt to alleviate this condition. The Bishops see their duty as to prod the Nation's conscience, awaken the smug and the sleeping, and cry out for justice for the needy and the vulnerable in our midst. Why, they ask, are there 10 million more Americans living below the poverty line today than there were 6 years ago? "Hunger persists in our country, as our church-sponsored soup kitchens testify," the Bishops wrote.

The poverty rate of older persons especially has risen dramatically in the past 6 years. More significantly, there is a large percentage of persons over 65 who are stacked just above the official poverty threshold. The oldest group, aged 75 years and over, is most vulnerable to poverty because of its dependency on public resources and programs to offset social factors such as diminished financies, loss of spouse or family supports, and increased incidence of health problems.

People who are reasonably comfortable are always looking for reasons for exempting themselves from concern for the poor. The Reagan administration has turned its back on the disabled. They do not like low income Americans, they do not like old people, especially poor old black people or poor old Asian Americans or poor old white people. The bottom line is how you treat people and for the past 6 years there has been a continual barrage of proposals and pressure to reduce the Federal Government's responsibilities for the elderly and the poor. Had Congress not rejected these proposals, the country's aged poor would be in even deeper trouble. We rely on Congress to keep up their good work in this regard.

In his book, "The New Politics of Inequality," Thomas Byrne concluded that, "Over the past decade changes in the political process have strengthened the power of the affluent and eroded the power of the poor. This shift, in turn, has resulted in the adoption of economic policies highly beneficial to the rich, penalizing the poor."

But, John Kenneth Galbraith feels that there could be some improvement in the political position of the poor from increased participation in elections. If the elderly poor would go to the polls as do the affluent, the political effect could be startling. Therefore, we must stir up political action. We must revive the concern for the economic position of the poor by convincing them to go to the polls. It has been said people vote their pocketbook. This is a double-edged sword. While the affluent vote to protect their affluence, we must urge the poor to vote to do away with their poverty, so that in the words of Martin Luther King, "They shall overcome."

On behalf of Massachusetts Association of Older Americans I wish to remind you that it is in the national interest for elected and appointed public officials to work tirelessly to address the severe problems of the elderly poor. We look to you, as members of the Select Committee on Aging, to meet this challenge and prove to the rest of the world that the United States is still a caring society that will battle poverty ridden old age, by rejecting additional increases in military spending and rejecting any further cutbacks in domestic programs that serve the elderly poor and other vulnerable groups.

I thank you for your attention.

Mr. KENNEDY. Thank you very much.

Now we will hear from the next witness, Ms. Ruth Moy. Ms. Moy.

STATEMENT OF RUTH MOY, EXECUTIVE DIRECTOR, GREATER BOSTON CHINESE GOLDEN AGE CENTER

Ms. MOY. My name is Ruth Moy and I am here today wearing two hats. One of them is executive director of the Greater Boston Chinese Golden Age Center, and one of them is cochair of the Minority Elder Coalition. Now, I always take the opportunity to mention this coalition because Ed Cooper says I have to, and that I should, and I will.

The Coalition—I speak on behalf of 22 member aid organizations that serve the minority elder—serves as an information forum for concerns of minority elders, solicitates linkages between agencies serving minority older people, and assists in advocacy for the needs of this important but often ignored group.

Let me just read you the 22 member agency: Action for Boston Community Development, Back Bay Aging Concerns, Black Acumenical Commission, Boston Commission on Affairs of the Elderly, Boston Indian Council, Boston Interfaith Coalition, Cape Verdean Community House, Community Training and Assistance Center, Council of Elders, Greater Boston Chinese Golden Age Center, Kitt Clarke Senior House, La Aliana Ana Hispana, Massachusetts Association of Older Americans, Massachusetts Deaf Senior Citizens, National Caucus and Center for Black Aged, Old Women's League, Roxbury Multi-Service Center, United South End Settlement, University of Massachusetts Gerontology Program, Urban League of Eastern Massachusetts, and Women's Improvement League.

The coalition meets on a regular basis and have the issues which effect the minority elder. Agency representatives have expressed their concerns and do support each others' efforts to improve the

lives of the elderly in their community. The coalition has identified the following issues which need to be addressed; housing, transportation, access to health care, educational needs and employment strategies, and adequate income.

Adequate income is at the top of the minority elder coalition's list, for without adequate income elderly lose all sense of worth, not totally with dignity. Now, I know time is limited, but I really have to talk on behalf of my agency, the Chinese Golden Age Center.

As executive director of the Greater Boston Chinese Golden Age Center, I have been engaged in the development and implementation of services and programs for the benefits of the elders of the Chinese community since 1973. All services and programs are directed toward the low income elderly who are disadvantaged because of language and cultural differences which prevents them from participating in the traditional programs that are available.

This is a minority population that was for the most part overlooked because it was too polite to speak out, and in most cases unable to speak out. There is the myth that all Chinese are taken care of by family members and, therefore, are less needy. A few years ago I met an official, a very high official, in Massachusetts who was responsible for elderly programs. I introduced myself and told this official that I ran the agency providing services for the Chinese elderly. He said very sweet, "I love the Chinese elderly, they are so inscrutable." Because I was like the elderly also very, very polite so I remained silent, but that is the style and the rules by which we live.

The Chinese Golden Age Center's bilingual staff works hard to assist the elderly to live independently in the community and have success even though resources are limited. Some of the services available through my agency include, hot meals at three senior centers, and one of them is located right in Brighton on Cambridge Street and we invite the Congressmen to drop by, 677 Cambridge Street. We have home delivered meals for the frail elderly, transportation to and from our day programs and to medical appointments All require escorts and interpreters. The staff also assists in housing for the clients and perhaps most importantly of all, see that there is adequate income to meet their obligations. Many elderly are still unaware of entitlement programs which guarantee a minimum income. Many are miserable living on Social Security payments of $150, and some have no income at all.

Let me just take a few minutes to talk about the case of poor Am Ming. Poor Am Ming is an older man married to a younger woman with two teenage children. This starts back in August 20, 1986 and is only one of the cases that we handle.

August 20th, reassessment of the client's financial statement, client received SSI benefits in addition to their 12 year old son's summer job and income from the wife's part time job as a stitcher.

August 26th, client is requested by SSA to verify information on savings account with a Provident Bank. He claims that both accounts belong to his wife and to his minor children but will present the information for an SSI review on September 5th.

September 4th, we escort client to SSA. He was advised by SSA to remove the wife's name and social security number from the

savings account so as to avoid having excessive resources show up on records. We got the information from the bank as to how to process the change. A copy of employment compensation for wife is also needed. Phone contact is made on her behalf to receive the document.

In the afternoon client received a notice from SSA stating that SSI benefit will be adjusted to $66.09 as of October 1, 1986.

September 17th, notice from SSA informing client of his eligibility of having Medicaid. Client states that he and his wife have decided not to remove her social security number from the bank account because she needed control over the account until the children reached the age 18. Client understands the impact of keeping social security number on the bank account and was willing to sacrifice any deduction as a result of the joint account.

October 14th, notice from SSA stating that client SSI benefits will be terminated as of November 1 due to excessive resources since December 1984. In addition, the sume of $3,274.85 is considered an overpayment of SSI benefits and must be returned to SSA. Client is very frustrated and scared, but is willing to pay back $50 a month through monthly deductions.

Well, they asked him to mail in a check for the $50, but the client was unable to do that. They wanted him to take out the $50 from the $66.09. The client really was unable to pay the $3,300; but he did because of pressure from the officer, and was told that he did not because he did not know about the bank account and he was willing to try.

He was begging for mercy at that time, and just doing everything he could to round up the money to pay back the social security SSI benefits.

Well, I will cut this short because time is running out, but he says no more. I will not go to those people anymore. They are destroying my life. He has become ill because of that, but he did receive his medicaid benefits. The computer still says that he is not eligible for SSI benefits.

Mr. KENNEDY. I just want to thank you very, very much for your testimony.

Now we will hear from our last witness in this panel, Ms. Marianne Duddy. Ms. Duddy.

STATEMENT OF MARIANNE T. DUDDY, EXECUTIVE DIRECTOR, LIFE (LIVING IS FOR THE ELDERLY)

Ms. DUDDY. Thank you. It is a real pleasure to have the opportunity to testify. I work with Living is for the Elderly for Life which is the country's only organization whose membership is comprised mainly of individual nursing and rest home residents.

When one thinks of poverty among the elderly, the issues of nursing homes do not immediately spring to mind. However, for the one in five older Americans who face nursing home placement at some point in their later years, and for their families, these concerns often present problems of overwhelming proportions. For taxpayers, too, who fund the ever increasing medicaid budget, these issues are of growing concern. Ignorance of facts about long term health care and how it is funded, the lack of real alternatives to

rapid impoverishment, and the limitations on services covered by medicaid all combine to create a growing class of institutionalized poor elderly.

The typical dilemmas faced by a person who is eventually placed in a nursing home can be illustrated by the case of Mrs. G. Mrs. G is a white woman aged 86. After the death of her husband in 1981, Mrs. G continued to live in their suburban home for 2 years. Finally, the difficulties she faced in maintaining the home on social security income, problems with getting transportation to the grocery store, the doctor's office and to other important services because there was no public transportation, and concerns about security in a neighborhood where she knew fewer and fewer people forced her to sell her home and find an apartment in a more urban area.

She lived in the apartment for 4 years and began to get more disoriented and her arthritic condition worsened. Finally, in 1986, her only son who lives in Maryland, visited and arranged a homemaker and home health services for her. However, after just 2 months, the homemaker quit, and another could not be located. In April of 1986 Mrs. G. was hospitalized after a fall and spent 6 weeks receiving treatment for a broken hip, as well as a neurological work-up.

Clearly, she could not return to the apartment without a guarantee of consistent services, and was placed in a local nursing home for Level III or intermediate care. At a cost of $92 per day, her $32,000 in savings that remained from the sale of the house was depleted in just under a year, and she became a beneficiary of the Medicaid Program.

Like most Americans, Mrs. G's son had mistakenly believed that medicare would pay for the nursing home care, and was appalled to learn that his mother and father's life savings would be eaten up in just a year. However, no alternative existed, so the savings were spent until only $2,000 remained and his mother could begin receiving medicaid.

A recent study by Dr. Larry Branch of Boston University Medical School reveals that 50 percent of people who enter nursing homes spend down their resources and become dependent on public assistance in just 13 weeks. Eighty percent of all nursing home residents will need medicaid assistance after 1 year.

This impoverishment brings with it innumerable negative consequences. Most tragically, the forced spend down of private resources makes it almost impossible for any person with a reversible medical condition to return to a less restrictive environment. Once treatment and therapy have restored to a person the ability to function independently or with home health services, financial considerations are generally the only barrier to a return to Senior Housing or a private home.

However, currently less than 1 percent of all nursing home discharges represent people returning to other community settings. From my experience I would estimate that as many as 10 percent of people in Level III and intermediate care facilities would be able to live in other setting with some support services. However, because of impoverishment they currently remain in the more costly and debilitating institutions.

In addition, the lack of resources helps to contribute to the greatly diminished quality of life experienced by the overwhelming ma-

jority of nursing home residents. In Massachusetts, medicaid recipients receive a monthly Personal Needs Allowance of $65 as of July 1, 1987, and that is much higher than any other State in the country. With this small sum, they are expected to purchase all of their clothing, shoes, nonprescription medications, personal grooming products and services, stationery, as well as any supplies for personal hobbies as well as to pay for phone calls. Trying to budget this small amount of money precludes most nursing home residents from receiving many necessary services. Just 2 days ago I spoke with a 78 year old nursing home resident whose dentures had cracked. Since the dentures were less than 2 years old, medicaid denied payment for replacements. It will take this woman many months to save the money for new dentures even when purchasing them through a local dental school which provides substantially reduced services for senior citizens. In the meantime, the type of food she is able to eat will be very limited and she may well begin to suffer nutritional deficiencies.

The small private discretionary income allotted to these people also restricts access to transportation, especially for people who use wheelchairs. Wheelchair transportation in this area generally costs about $50 per hour, clearly a prohibitive cost on a budget of $65 per month. Thus, access to community events, health services or normal activities such as shopping are severely restricted.

Other factors relevant to the discussion of institutional poverty include the fact that the population most at risk for nursing home placement consists of single women 80 years of age and older, and minority elders living alone. These groups represent the poorest of the poor elderly, and statistics indicate that these are the most rapidly increasing population groups.

Currently, nonwhite elders represent only 3 percent of the nursing home population nationally. They often face discrimination in accessing long-term health care because they lack the availability to pay privately for services upon admission, and because their medical conditions may be complicated by poor nutrition and other poverty related conditions.

Institutionally induced poverty among the elderly is already of crisis proportions for individuals and families who have encountered this reality. With a medicaid budget growing more rapidly than any other domestic program, these issues will soon be of critical concern for all of us. Our long-term health care system at this point is a confusing and debilitating mess.

Financing mechanisms which do not impoverish elders and their families, but which rationally allocate expenses throughout our social structure such as a National Health Program based on the Canadian model, need to be developed within the very near future. Long-term health care expenses keep most elders only 1 year away from poverty.

I thank you for this opportunity to present some of the very difficult problems faced by the frail elderly receiving care in our Nation's nursing homes. I commend you and the other members of the Select Committee on Aging on your commitment to developing creative solutions to address the problems of poverty among the elderly.

Mr. KENNEDY. Thank you very much, Ms. Duddy.

Mrs. Frank and Mrs. Villers, I just have one question that I want to pose to both of you on an issue that you both raised. This really has to do with the perception that exists in our country and I think that both Barney and myself, and I am sure Mayor Flynn and other people in politics face which is the charge that the senior citizens have been receiving, by far and away, the greatest amount of available dollars even though they are the shrinking pie, most of that pie has ended up in the hand of senior citizens.

You pick up the Boston Globe today and you see an article that suggests that the child poverty rate is growing and that, in fact, this is the problem that should be addressed. I just wonder how you respond when people hit you with those charges and suggest that the dollars ought to be spent in other areas?

If you both want to respond please make it brief. I am sorry, Mrs. Villers, you are right there is no right to ask witnesses to come up for five short minutes, but we are under a time limit here.

Ms. FRANK. Under your time limit I left out a very important paragraph of my presentation because of the time limit and now I will let you hear it.

The myth that the elderly are better off financially than the rest of the population should finally be laid to rest. While there are older people at all income levels the elderly still have the highest concentration of poor and near poor of any adult age group, and if it were not for social security poverty rates for the elderly would more than triple.

Poverty rates among children, says Dr. Fleming, are also scandalous, but it is wrong to pit poor elderly against poor children, generation against generation. Certainly, a society as rich and powerful as the United States should respond to all who are in need be they young, middle aged, or old.

Mr. KENNEDY. Mrs. Villers, do you have any statement?

Ms. VILLERS. It seems to me we ought to look at the Social Security Program as a model for what everyone in our society needs including children. We should not think of it as a category which is solely for older people. We should expand it to make it an insurance system for everyone to make a minimum level of income as a social insurance program.

In addition, we need to look at income going to elderly as part of an income transfer system that goes different ways. They method that income is always being transferred from middle aged people and younger to the old, in fact, the income that is earned and received by older people gets transferred to younger generations as well.

I believe that the figure of 32 percent of elder households with heads over 65 and older have also dependent children living in them, children under the age of 18. So, it is a very complex issue that one should not simplify.

Mr. KENNEDY. Thank you all very much for your testimony.

Now I would like to introduce the third panel. We will hear testimony from Mr. Michael Taylor, Commissioner, Elderly Affairs of the City of Boston, Ms. Jessie Logan, Massachusetts Council Senior Action Counsel, and Professor Ella Carabello from the University of Massachusetts.

Thank you very much for agreeing to come here this morning. Mr. Mike Taylor, would you please proceed with your testimony. You have to understand, ladies and gentlemen, Mike Taylor and I were involved in a basketball game last night, but in any event I am delighted to see him up and walking this morning and ready to testify. Mike Taylor.

STATEMENT OF MICHAEL TAYLOR, COMMISSIONER, COMMISSION ON AFFAIRS OF THE ELDERLY, BOSTON, MA

Mr. TAYLOR. Thank you. Just for the record I want it to be clear that we won the basketball game and I think it was because the younger players who we were playing against, there was myself and Congressman Kennedy and Mayor Flynn and some other people, who were about 20 years older then the kids we were playing. I think the characteristic of this conference and this particular hearing the younger players showed their respect to us older players and allowed us to win the game.

I know there is a time constraint and I appreciate the fact that the Mayor had the opportunity to address the SSI Outreach Program. Almost every speaker this morning talked about the concern throughout the Nation that half of the eligible people for SSI have yet to receive the benefit. I am proud to say that in Boston, as the Mayor indicated a moment ago, is the first city in the country working with the Villers Foundation to creat an SSI Outreach Program to allow all older Bostonians the opportunity to be participating in this very important economic benefit that is SSI.

I am also proud of the fact that many of the speakers here this morning are members of the Boston's Commission on Affairs of the Elderly. In fact, Elsie Frank who spoke a few minutes ago is the vice president and, one of the first speakers, Ed Cooper, happens to be the president of the Commission on Affairs of the Elderly Advisory Council.

So, I think it is clear that our direction is mandated by the elders of Boston, by the indication of those two speakers and the elequent comments they made this morning. Also, to both Congressman Frank and Congressman Kennedy, we had another Congressman speaking to us just over a half a day ago in this very room, Congressman Flake from New York, spoke elequently last night to over 250 of us about the concerns he has about the Nation's elderly and particularly the poor black elderly in this country.

It is obvious to us that Congress, obviously, has the right direction, has the right concern for not only Boston's elderly, Massachusetts elderly, as well as the Nation's elderly. We have to work hard obviously to convince the other Members of Congress and the other Members of the Senate as well as most importantly the person who now holds the White House of the importance of the elders contribution to make this country what it is today and the fact that it should not be forgotten in the whelm of this, our own success.

I would like to close by, in all due respect to you Congressman Kennedy, a quote from your father. He said about 20 years ago, "This is a public declaration that the poor of American are not ignored, not forgotten, that we are willing to see them and hear them, and act with them to help them help themselves."

I am very proud of the fact that because of the leadership of people like yourself, Congressman Frank, Congressman Kennedy, that I believe that the poor elders of Boston and Massachusetts, and America have a sense of hope because of the leadership of you two and other Members of Congress, that the country, the Federal Government in particular does care of them and that they will help them help themselves.

Thank you very much.

[The prepared statement of Mr. Taylor follows:]

PREPARED STATEMENT OF MICHAEL TAYLOR, COMMISSIONER, COMMISSION ON AFFAIRS OF THE ELDERLY, BOSTON, MA

GOOD MORNING, MY NAME IS MICHAEL TAYLOR AND I AM COMMISSIONER ON AFFAIRS OF THE ELDERLY FOR THE CITY OF BOSTON. I WANT TO THANK REPRESENTATIVES FRANK AND KENNEDY, AS MEMBERS OF THE HOUSE SELECT COMMITTEE ON AGING, FOR COMING TO THIS IMPORTANT CONFERENCE TO HEAR THE CONCERNS OF OLDER PEOPLE AND THEIR ADVOCATES.

IN GENERAL, OLDER ADULTS DEPEND MORE EXTENSIVELY ON THE FEDERAL GOVERNMENT THAN OTHER SEGMENTS OF THE POPULATION. IT IS A SOURCE OF INCOME AND HEALTH INSURANCE FOR THE MAJORITY OF ELDERS, AND AS A RESULT, ITS POLICY DECISIONS HAVE A VERY DIRECT IMPACT ON OLDER PEOPLES' LIVES.

THE EXTENSIVE INVESTMENT THAT THE FEDERAL GOVERNMENT HAS MADE IN THE PAST TWENTY-FIVE YEARS TO ERADICATE POVERTY AMONG OLDER CITIZENS IS LAUDABLE. BUT, I SUBMIT THAT WE STILL HAVE A WAYS TO GO. THE PROGRESS WE HAVE MADE IN INSURANCE COVERAGE, INCOME MAINTENANCE AND AVAILABILITY OF COMMUNITY-BASED HEALTH AND SOCIAL SERVICES HAS BEEN HARD WON AND, IN THE PAST SIX YEARS, EVEN HARDER TO KEEP.

THANKS, IN LARGE PART, TO THE EFFORTS OF OUR MASSACHUSETTS DELEGATION, WE HAVE HELD THE LINE ON MAJOR DECREASES IN OLDER AMERICANS ACT FUNDING AND MAINTAINED THE COST OF LIVING ADJUSTMENTS FOR SOCIAL SECURITY. IN ADDITION, WE HAVE OPENED NATIONAL DISCUSSION ON THE <u>REAL</u> CATASTROPHIC HEALTH CARE ISSUES OF LONG TERM CARE AND PAYMENT FOR PRESCRIPTION DRUGS.

I WANT TO SPEND A FEW MOMENTS BRINGING THESE LARGE FEDERAL ISSUES A LITTLE CLOSER TO HOME BY DISCUSSING THEIR IMPACT IN BOSTON. THE ELDER POPULATION IN BOSTON IS DISPROPORTIONATELY POORER, WITH HIGHER NUMBERS OF MINORITY ELDERS AND VERY OLD PEOPLE COMPARED WITH THE STATE AS A WHOLE. AS A RESULT, OUR ELDER POPULATION IS HIGHLY SENSITIVE TO SHIFTS IN FEDERAL RESOURCES AND CUTBACKS IN FUNDING.

A HALLMARK OF THE FLYNN ADMINISTRATION'S AGING POLICY IS ITS FOCUS ON HOUSING, HEALTH AND INCOME MAINTENANCE. OUR CAPACITY TO MEET THE NEEDS OF OUR MOST VULNERABLE OLDER CITIZENS IS SIGNIFICANTLY DEPENDENT ON A STRONG PARTNERSHIP WITH THE FEDERAL GOVERNMENT. THIS IS MIRRORED IN THE ELDER HEALTH CARE ISSUES THAT CHALLENGE US.

IRONICALLY, IN A CITY RENOWNED FOR ITS MEDICAL RESEARCH, ACCESS TO AND AVAILABILITY OF HEALTH CARE SERVICES CONTINUE TO PRESENT PROBLEMS FOR OLDER PEOPLE, PARTICULARLY THE POOR AND NEAR POOR. MEDICARE REGULATIONS HAVE BEEN MORE STRICTLY INTERPRETED IN THE PAST SEVERAL YEARS; AS A RESULT, THE AMOUNT IN HOME-HEALTH SERVICE REIMBURSED TODAY IS LESS THAN THAT SIX YEARS AGO. CLOSELY RELATED TO REIMBURSEMENT IS THE ISSUE OF MEDIGAP INSURANCE. AS THE PRICE OF MEDEX INSURANCE RISES EVERY YEAR, GROWING NUMBERS OF OLDER PEOPLE ARE FORCED TO CHOOSE BETWEEN ADEQUATE COVERAGE AND OTHER NECESSITIES OF LIFE.

THE IMPORTANT ROLE THAT ENVIRONMENT PLAYS IN PERSONAL HEALTH WAS HIGHLIGHTED FOR ME AS I REVIEWED THE RESULTS OF A RECENT NEEDS ASSESSMENT CONDUCTED BY THE COMMISSION STAFF. ADVOCATES, ELDERS AND PROFESSIONALS ACROSS THE CITY AGREED THAT HEALTH PROBLEMS AND INADEQUATE HOUSING ARE INEXORABLY LINKED. THIS IS AN ISSUE OF SPECIAL IMPORTANCE, BECAUSE AS COMMISSIONER I SEE FIRSTHAND THE CRISIS THAT THE HOUSING SHORTAGE IN BOSTON PRESENTS TO OLDER PEOPLE. TO PUT THIS CRISIS IN A FEDERAL CONTEXT, IT'S WORTH NOTING THAT THE TOTAL NUMBER OF SECTION 202 UNITS THAT THE REAGAN ADMINISTRATION PROPOSES TO BUILD THIS YEAR IS JUST ABOUT EQUAL TO THE WAITING LIST FOR ELDERLY HOUSING IN THE CITY OF BOSTON; WE COULD USE ALL OF THE 10,000 + UNITS.

FINALLY, ADEQUATE INCOME SUPPORT UNDERLIES ALL THESE PROBLEMS. AS THE RECENT REPORT PREPARED BY THE NATIONAL CAUCUS AND CENTER ON BLACK AGED FOR THE HOUSE SELECT COMMITTEE ON AGING SO ELOQUENTLY POINTS OUT, POVERTY HAS NOT BEEN ERADICATED FOR OUR OLDER CITIZENS, AND THOSE MOST VULNERABLE ARE PEOPLE OF COLOR, WOMEN AND THE VERY OLD.

I'M PROUD TO SAY THAT THE CITY OF BOSTON AND THE VILLERS FOUNDATION IS ABOUT TO EMBARK ON A MODEL SSI OUTREACH EFFORT, DESCRIBED EARLIER BY MAYOR RAYMOND FLYNN. ALTHOUGH THIS PROJECT WILL NOT SOLVE THE PROBLEM OF UNDER-UTLILIZATION OF THE SSI PROGRAM, IT WILL SEEK TO MAXIMIZE PARTICIPATION BY ETHNIC AND LINGUISTIC MINORITIES.

ONCE AGAIN, THANK YOU FOR THE OPPORTUNITY TO ADDRESS THE COMMITTEE THIS MORNING.

Mr. KENNEDY. Now we will hear from the next witness, Ms. Jessie Logan.

STATEMENT OF JESSIE LOGAN, PRESIDENT, MASSACHUSETTS SENIOR ACTION COUNCIL

Ms. LOGAN. Thank you very much for letting me be here this morning.

I am Jessie Logan, president of Massachusetts Senior Action Council. Mass. Senior Action Council was founded under the auspices of the National Council of Senior Citizens. The National Council of Senior Citizens welcomes this opportunity to address this important issue of abolishing poverty among the elderly.

Over the past decade different Federal programs have made improvements in the elderly condition. And, although this country is showing signs of prosperity, that prosperity has not gone down to the seniors. Today, poverty among the elderly is comparable to that of the general population.

During the past few years the changes in major Federal programs of medicare and medicaid have been a burden on low income elderly. Some groups of the elderly are even more vulnerable, women, minorities, persons living alone. There is an ever growing population of elderly and most of them are poor. Among those poor the black aged are poor, very vulnerable. That is particularly true of the women.

I feel that myself very seriously because after working all my life I find that in my sunset years I am still struggling for dignity and a comfortable way of living. Older persons living alone are nearly twice as likely to be poor as those who live with other people, and the very old are twice as likely to be poor as younger elders.

I will skip over some of my statement and I will pass in my statement to save time. The means testing that lower income people have been forced to live with in order to receive SSI is the important issue that has been spoken of a lot this morning. It provides a uniform Federal benefit level, but it still keeps people below the poverty line.

The National Council of Senior Citizens believes that Federal SSI benefits should be raised to at least the official poverty level. It is imperative that better information be made available to people. There are so many people who are eligible for food stamps and SSI and they have not been able to get the information.

Now, medicare has been a help to seniors, but there are copayments and adjusted payments that still have to be made out of the pockets of the seniors. These prevent people from having pocket money when their income is already low. In addition to high expenditures for health care, older persons spend a higher proportion of their income on housing than any other group.

Federal spending on housing production and assistance has been cut. A housing reauthorization bill has not been enacted in the 6 years since this President has been in office. Despite all the Federal means tested programs the true bulwark against poverty for the elderly is social security. Social security is the income of many of the seniors, mostly three-quarters of the income of the seniors.

Public assistance goes a long way to help and that is the SSI Program.

Many older persons can and want to work. The National Council of Senior Citizens has a community service employment program, Title V of the Older Americans Act which provides part-time employment for people. This highly successful program is neither make work or welfare. It provides financial independence as a way of life and an opportunity for workers to gain dignity, confidence and job skills and the satisfaction to be engaged in the useful work which contributes to the quality of life of the entire community.

The National Council of Senior Citizens believes the Senior Jobs Program should be expanded significantly. Finally, some of the economic problems of the elderly will require long-term solutions. For example, improvements in private pensions must be made so that in the future more older persons will have pension income to supplement their social security.

A Federal commitment to programs for the poor must be renewed every year to make progress towards ending poverty. The needs of the elderly poor must not be ignored simply because some older persons today are fortunate enough to be affluent. Our Nation has the resources to end poverty. All we need is the will to make ending poverty a national priority. Thank you.

[The prepared statement of Ms. Logan follows:]

PREPARED STATEMENT OF JESSIE LOGAN, PRESIDENT, MASSACHUSETTS SENIOR ACTION COUNCIL

The National Council of Senior Citizens welcomes this opportunity to address the important issue of abolishing poverty among the elderly. Throughout our organization's history, we have devoted special attention to the needs of the low-income elderly who are one of the most vulnerable segments of the United States pupulation.

Over the past two decades, our nation has succeeded in dramatically improving the economic status of the elderly. Just 25 years ago, more than one-third of the elderly population was poor. Fifteen years ago, poverty was twice as high among the elderly as for other age groups.

Today, poverty among the elderly is comparable to that of the general population. But this success must not mask the fact that millions of older persons have not shared these benefits.

During the past six and one-half years, the Federal commitment to the poor has declined. A report by the Urban Institute found that, "changes in the major federal programs of Medicare, Medicaid, food stamps, housing, and transportation assistance have affected the low-income elderly in negative ways." According to the report, "the poor elderly often face impossible choices among food, shelter, utilities, and health care." (Source: Testing the Social Safety Net, Martha R. Burt and Karen J. Pittman, The Urban Institute Press, 1985.)

Poverty among the aged continues to be a serious problem, with 1985 Census data revealing 12.6 percent of persons 65 years and over falling into poverty. Nearly 21 percent of the aged population fall below just 125 percent of the poverty line.

Subgroups of the elderly are even more vulnerable to poverty: women, minorities, persons living alone, and the very old--generally considered those aged 85 and over. All these subgroups are growing more rapidly than the overall elderly population, a phenomenon which will present new challenges to the policy makers in the coming decade.

The following chart, drawn from 1985 Census data, reveals the disparities in poverty among the aged.

1985 Poverty Rates

	Total	White	Black	Hispanic
Men 65+	8.5	6.9	26.6	19.1
Women 65+	15.6	13.8	34.8	27.4
Total	12.6	11.0	31.5	23.9
Persons 65+ Below 125% of Poverty	20.9	18.8	44.9	34.8

In addition, older persons living alone are nearly twice as likely to be poor as those who live with others and the very old are twice as likely to be poor as younger elders.

Even these poverty data fail to reveal the actual status of older Americans, for the Census Bureau poverty thresholds for the elderly are eight to ten percent lower than thresholds used for the non-elderly. This dates to the original development of the poverty line which assumed that older people need to eat less than others. But, according to Dr. Robert M. Russell, Director of Clinical Research at the Tufts University Human Nutrition Research Center on Aging, the aged may actually require a higher quality diet that do members of other age groups.

It has been estimated that if the same poverty threshold were used for persons of all ages, an additional half million elderly would fall into poverty.

The primary means-tested income support program serving the elderly is Supplemental Security Income (SSI). Two of the most positive features of the SSI program are that it provides a uniform Federal benefit level and those benefits are adjusted annually for inflation.

These factors prevent wide disparities in benefit levels from state to state and ensure that the value of benefits will not be eroded, over time. Unfortunately, the base level of benefits provided is set at just 75 percent of the poverty line for individuals; 90 percent for couples. While many states supplement these benefits, almost none bring benefits above the poverty line. Furthermore, many state supplements are not adjusted for inflation.

The National Council of Senior Citizens believes that

Federal SSI benefits should be raised to, as least, the official poverty threshold.

It is also imperative that better information be made available to the elderly poor about programs which are available to meet their needs. None of the major programs available for the low-income elderly--SSI, Medicaid nor food stamps--reaches more than one-third of the elderly poor.

Studies have shown that most elderly persons who do not participate in such programs either are unaware of them or are not sure whether they're eligible.

Medical costs have been increasing rapidly, making affordable health care problematic for the aged poor, who often have disproportionate need for such service. Although most older persons do receive Medicare benefits, there are high co-payments and deductibles which can prevent adequate medical care for the poor and many crucial services, such as eyeglasses, hearing aids and prescription drugs, are not covered at all. In most instances, the elderly poor can only receive Medicaid benefits if they are receiving SSI. Medicaid helps fill in gags in coverage, and should be made available to all persons below the poverty level.

In addition to high expenditures for health care, older persons spend a higher proportion of their income on housing than any other age group.

More than one-fifth of all elderly households do not have access to adequate housing, either because rent is in excess of 30 percent of their annual income or because facilities are in substandard condition. More than one-quarter million elderly persons are waiting to get into fewer than 2,000 Section 202 units.

New Federal spending on housing production and assistance has been cut by two-thirds since 1981, and a housing reauthorization bill has not been enacted in the six years since President Reagan took office.

Despite all the Federal means-tested programs, the true bulwark against poverty for the elderly is Social Security. Of all aged individuals and couples with incomes below $5,000, 83 percent receive Social Security which comprises 77 percent of their income. Public assistance

is received by only 29 percent of such households and it comprises just 14 percent of their income. Clearly, Social Security lessons, but by no means eliminates dependence by the elderly poor on the Federal social safety net.

Many older persons can and want to work. The Senior Community Service Employment Program, Title V of the Older Americans Act, provides part-time employment for over 61,000 low-income older persons. This highly successful program is neither "makework" nor welfare.

Rather, for many enrollees, these jobs represent the difference between dependence on public assistance and sustaining a financially independent way of life. Perhaps equally important, these workers gain dignity, confidence, new job skills and a tremendous sense or satisfaction and accomplishment from being engaged in useful work which contributes to the quality of life of an entire community.

NCSC believes the Senior Jobs program should be expanded significantly.

Finally, some of the economic problems of the elderly will require long-term solutions. For example, improvements in private pensions must be made so that, in the future, more older persons will have pension income as a supplement to Social Security.

A Federal commitment to programs for the poor must be renewed if we are to make progress toward ending poverty. The needs of the elderly poor must not be ignored simply because some older persons today are fortunate enough to be affluent.

Our nation has the resources to end poverty. All we need is the will to make ending poverty a national priority.

Mr. KENNEDY. Thank you.

We would now like to hear from the final witness, Professor Ella Carabello from the University of Massachusetts.

STATEMENT OF ELLA CARABELLO, PROFESSOR, UNIVERSITY OF MASSACHUSETTS

Ms. CARABELLO. Thank you. I am on the staff of the University of Massachusetts at Boston where I also serve as a research associate with the Gerontology Institute. I would like to, in the interest of time, with all due respect, pass on giving you a detailed review of my testimony and invite all of you to pick one up at the table or feel free to contact me at the institute where I will gladly share with you my testimony the focus of which is Hispanic elders.

I think that it is an especially important and critical population primarily because of the distinct and conspicuous under representation of Hispanic issues when we look at Gerontological Social policy. However, I would like to take just a moment to notify you, Representative Kennedy, that I am going to take full advantage of your offer that the record will remain open for 2 weeks because except for Mr. Frank, the mention of women and women's issues, and the issue of gender in terms of the elderly was conspicuous by its absence.

It is important to know some factors that while women comprise 51 percent of the elderly they comprise 73 percent of the elderly poor, and 70 percent of the elderly in long-term care facilities are women. Those statistics go on and on. I will not bore you orally, but I am going to send you an added testimony which I will attach a report which I would like to propose as a model which is entitled, "Economic Status of Older Women in Massachusetts" prepared through the Gerontology Institute and I would like to encourage a similar report that Congress might want to commission a similar report on a national level. I think that the issue of the elderly are the issue of women and if we continue to talk about them in a gender neutral manner than, in fact, women have been subject to gender bias. Like experience throughout their younger life, we simply sort of in a passive manner perpetuate that bias.

I want to thank you for holding these hearings. It has been a pleasure. Like I said, I will be in touch with you.

Mr. FRANK. Let me say, if I might, Mr. Chairman, the Economic Equity Act which was pulled together by the Congressional Caucus on Women's Issue devotes a lot, and it is an effort to try to deal with the economic problems of sex discrimination. A number of the bills in that package deal with the inequities in retirement income for women. I do not know, you may very well be familiar with it. Congresswoman Mary Rose Oakar from Cleveland in particular has taken a lead on that.

So, in addition to putting your report in the record we will make sure that she gets a copy because she has put a lot of effort into dealing with the questions of equity in retirement for women and we ought to note that it is relevant right here in Massachusetts as they deal with the question of insurance and private pensions for women because they make the mistake of living longer are discriminated against in the amount of income that they get.

So, that is a subject that is before us and I think Congresswoman Oakar would be particularly interested in your report. So, if you would give us an extra copy we would like to share it with her. The Economic Equity Package very directly deals with the problems of the inequity on the part of women.

Mr. KENNEDY. Just to follow up on that. The fact is that one of the major issues that was raised in the campaign I just got through in the last year was the whole issue of the feminization of poverty. One of the incredible things to me was as people hit the age of 65 the percentage of people that are seniors who are women who suffer from the kind of health care problems that simply are not addressed today by our government problems.

So, this is an issue that I think will continue to evolve and grow the more we are educated as a Nation about the extent of the problem. I think anything that you can provide to this committee would be extremely helpful.

I want to thank all of the witnesses who participated in today's hearing. I would also very much like to thank the staff of the House Committee on Aging for their hard work in setting up this committee hearing this morning. I also want to thank each and every one of you, and just to make certain that you understand that the record will remain open for a full two weeks. Those of you who have testimony that you would like to provide us we will accept that testimony, and wherever possible we will submit it into the official record of the Congress of the United States.

Thank you all very, very much for coming.

[Whereupon, at 12 p.m., the hearing was adjourned.]

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